CRA/LA
Building communities with jobs & housing

Community Redevelopment Agency
of the CITY OF LOS ANGELES

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DATE / FEB 5 2009

FILE CODE / CT1050

CRA File No. 5974
Council District: 14
Contact Person: David Riccitiello
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Honorable Council of the City of Los Angeles
John Ferraro Council Chamber
200 N. Spring Street
Room 340, City Hall
Los Angeles, CA. 90012

Attention: Alan Alietti, Office of the City Clerk

COUNCIL TRANSMITTAL:
Transmitted herewith, is a Board Memorandum adopted by the Agency Board on February 5, 2009 City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

VARIOUS ACTIONS RELATED TO:
EXECUTION OF A PERMANENT LOAN AGREEMENT WITH ALEXANDRIA HOUSING PARTNERS, L.P. FOR A LOAN IN THE AMOUNT OF $11,900,000 FOR THE ALEXANDRIA APARTMENTS LOCATED AT 501 SOUTH SPRING STREET AND APPROVAL OF AN AFFORDABILITY PRESERVATION PLAN
CITY CENTER REDEVELOPMENT PROJECT AREA
DOWNTOWN REGION (CD 14)

RECOMMENDATION
That City Council approves recommendations on the attached Board Memorandum.

ENVIRONMENTAL REVIEW
The proposed actions are not a "project" as defined by the California Environmental Quality Act.

FISCAL IMPACT STATEMENT
There is no fiscal impact to the City's General Fund, as a result of this action.

Cecilia V. Estolano, Chief Executive Officer

cc: Alan Alietti, Office of the City Clerk (Original & 3 Copies on 3-hole punch)
Lisa Johnson Smith, Office of the CAO
Ivania Sobalvarro, Office of the CLA
Helmi Hisserich, Office of the Mayor
Noreen Vincent, City Attorney's Office
Councilmember Jose Huizar

bcc: Ras Mallari
Tim Chung, City Attorney office
Nenita Tan, Office of the City Controller
Records (2 copies)
David Riccitiello
Lillian Burkenheim
John Lujan
Dave Neubecker

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA

16

MEMORANDUM

DATE: FEBRUARY 5, 2009 CT1050

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CECILIA V. ESTOLANO, CHIEF EXECUTIVE OFFICER

RESPONSIBLE PARTIES: DAVID RICCITIELLO, REGIONAL ADMINISTRATOR
LILLIAN BURKENHEIM, PROJECT MANAGER
JOHN LUJAN, SENIOR HOUSING FINANCE OFFICER
DAVID NEUBECKER, ASSISTANT PROJECT MANAGER

SUBJECT: EXECUTION OF PERMANENT LOAN AGREEMENT WITH ALEXANDRIA HOUSING PARTNERS, L.P. FOR A LOAN IN THE AMOUNT OF $11,900,000 FOR THE ALEXANDRIA APARTMENTS LOCATED AT 501 SOUTH SPRING STREET AND APPROVAL OF AN AFFORDABILITY PRESERVATION PLAN
CITY CENTER REDEVELOPMENT PROJECT AREA
DOWNTOWN REGION (CD 14)

COMMITTEE REVIEW: LOAN COMMITTEE APRIL 18, 2007

RECOMMENDATION

A. That the CRA/LA Board of Commissioners review and approve the Affordability Preservation Plan to achieve the additional levels of affordability for the Alexandria Apartment Project located at 501 South Spring Street; and

B. That the CRA/LA Board of Commissioners, subject to City Council review and approval, authorize the Chief Executive Officer or designee to:

1. Subject to full execution by all parties of a settlement agreement in the litigation related to the Alexandria Apartment Project, execute a Permanent Loan Agreement with Alexandria Housing Partners, L. P. in the amount of $11,900,000 for preservation of affordable housing units at the former Alexandria Hotel located at 501 South Spring Street, and to take such other actions as may be necessary to carry out the agreement; and

2. Adopt a Resolution (Attachment "D") making the finding that an economically feasible alternative of financing on substantially comparable terms but without subordination of the CRA/LA Deed of Trust, covenants and use restrictions is not reasonably available, and authorize the subordination of the CRA/LA's Deed of Trust, covenants and use restrictions to the construction and permanent loans provided for the project.

SUMMARY

The recommended actions will approve the Affordability Preservation Plan, authorize execution of a Permanent Loan Agreement in the amount of $11,900,000 with Alexandria Housing Partners, L. P. (the "Developer") and adopt a subordination resolution for the purpose of securing additional affordability for the rehabilitated Alexandria Hotel (the "Project") located at 501 South Spring Street (Site Map, Attachment "A").

The Project preserves 461 units of last resort housing as permanent affordable housing, for occupancy by low-, very low- and moderate-income households at affordable rents. The CRA/LA's investment will provide a full range of affordability based on the 2006 rent levels for the building but not exceeding Moderate Income under HCD standards (60% AMI under TCAC standards). The Project represents an opportunity to preserve the affordability of the units with 55-year covenants, and to substantially improve the livability, safety, and security of the tenants.

Affordability Levels Under TCAC and HCD			
TCAC Standards		HCD Standards	
Affordability Level	# of Units	Affordability Level	# of Units
30% AMI	30	Very Low	187
35% AMI	100		
40% AMI	57		
45% AMI	34	Low	63
50% AMI	29		
55% AMI	0	Moderate	211
60% AMI	211		
Total	461	Total	461

On July 20, 2006, the CRA/LA authorized the issuance, sale and delivery of tax-exempt multi-family housing bonds in an amount not to exceed $35,000,000 for the purchase and rehabilitation of the Project. In addition, authorization was provided to negotiate and execute a loan commitment letter for the Project and staff was directed to negotiate a Permanent Loan Agreement with the Developer. The CRA/LA loan commitment letter provided $11.9 million of permanent financing that would be infused into the Project following the completion of construction. Upon disbursement the CRA/LA funds, the Project shall be covenanted and restricted to the affordability levels under HCD standards.

Conditions of CRA/LA approval also stipulated that the CRA/LA shall have the unconditional right to provide or direct additional funds to the Developer to further deepen affordability levels by restricting and covenanting an additional 64 units at very low levels and 18 units at low income levels. Accordingly, an Affordability Preservation Plan ("Plan") has been prepared to address how the CRA/LA will achieve these additional levels of affordability within the Downtown area (Affordability Preservation Plan, Attachment "B").

The acquisition and rehabilitation costs for the Project were approximately $56 million. These costs have been financed with a combination of tax-exempts bonds issued by the CRA/LA, low income housing tax credits, seller financing and deferred development fee (Sources and Uses, Attachment "C"). Rehabilitation has been completed with the exception of 12 units that were held up due to the refusal of two tenants to accept temporary accommodations during rehabilitation of their units. These 12 units, all restricted to households at 60% of AMI, are expected to be completed by the end of April, 2009. Full rent-up of the Project is anticipated

before the end of June, 2009. As of December 31, 2008, only 52 units had not yet been leased, and all of these units are designated for households at the Moderate Income level under HCD standards (60% AMI under TCAC standards).

RE

July 20, 2006 – Various actions related to the rehabilitation of the Alexandria including authorizing the issuance, sale and delivery of tax-exempt multifamily housing bonds in an amount not to exceed $35 million for the Alexandria Apartment project located at 501 S. Spring Street and authorization to issue a commitment letter in the amount of $11.9 million.

July 26, 2006 - City Council approval of the above action.

SOURCE OF FUNDS

Bunker Hill Housing Trust Funds

PROGRAM AND BUDGET IMPACT

The proposed action is consistent with the FY09 Budget and Work Program under budgeted line item "Affordable Housing". There is no fiscal impact to the City's General Fund as a result of the recommended action.

ENVIRONMENTAL REVIEW

The proposed actions are not a "project" as defined by the California Environmental Quality Act.

BACKGROUND

The Project (Site Map, Attachment "A") is located on a 34,443 square foot site and is comprised of the original eight-story luxury hotel completed in 1906 and a twelve-story addition completed in 1912. The Alexandria includes a two-level parking garage and contains over 264,150 gross square feet, including 10,700 square feet of multi-tenant retail space oriented toward Fifth and Spring Streets. The Alexandria is designated Cultural Monument No. 80 of the City of Los Angeles and is listed in the National Register of Historic Places as part of the Spring Street Financial District.

The Project is owned by Alexandria Housing Partners, L.P. which includes individuals or entities controlled by Ruben Islas, Jules Arthur and Paul M. Buxbaum. The team of Ruben Islas and Jules Arthur has completed or has under construction seventeen affordable housing projects, of which all but four are located in California.

For more than 30 years, the Alexandria had been operated as a residential hotel, offering daily, weekly and monthly rates for 463 units (including 2 manager units) using market-driven rental rates. The building was in need of repair and lacked effective management, as demonstrated by numerous police calls, building citations and tenant complaints. The building had been previously, under the prior owner, in the City of Los Angeles' Rent Escrow Account Program (REAP), which forces code required renovations.

The Developer has completed a significant renovation of the building, replacing or upgrading most major building systems including heating and elevators. Ground floor restaurants and retail are undergoing renovation to provide services to tenants and the growing surrounding

community. The Developer conducted an "in-place" renovation, that is, tenants were temporarily relocated to an unoccupied unit within the building while their unit was renovated. No existing tenants were to be permanently displaced as a result of the renovation and conversion of the building to affordable housing. The Developer has agreed that the rents of existing tenants who occupied the hotel at the time of the Developer's acquisition will not be increased beyond that presently allowed by the City of Los Angele's Rent Stabilization Ordinance. This will continue until such time as the tenant's rent level reaches the TCAC maximum rents at which time the TCAC rules will govern annual rent increases. The TCAC regulations will restrict rent increases for the remainder of the units.

The following table illustrate the Project's proposed unit affordability mix and income level targets based upon the Tax Credit Allocation Committee's ("TCAC") rental definition of Area Median Income under the tax exempt Bond Financing for the Project without CRA/LA financial assistance.

TCAC Affordability Levels with Bond Financing Only				
Unit Type	**TCAC 50%**	**TCAC 60%**	**Other***	**TOTAL**
Studio	46	387	0	**433**
1-Bdrm	0	28	2	**30**
TOTAL	**46**	**415**	**2**	**463**

*Manager's Units

The Bond Financing along with the proposed CRA/LA loan of $11.9 million will impose the following affordability restrictions based on TCAC standards.

TCAC Affordability Levels of Bond Financing and Proposed CRA/LA Loan								
Unit Type	**TCAC 30%**	**TCAC 35%**	**TCAC 40%**	**TCAC 45%**	**TCAC 50%**	**TCAC 60%**	**Other***	**TOTAL**
Studio	30	100	57	34	25	187		**433**
1-Bdrm					4	24	2	**30**
TOTAL	**30**	**100**	**57**	**34**	**29**	**211**	**2**	**463**

*Manager's Units

The following table depicts the required number of units by unit size and income level based upon the Housing and Community Development rental definition of Area Median Income.

HCD AFFORDABILITY LEVELS OF CRA/LA COVENANTS				
Unit Type	**HCD Very Low Income**	**HCD Low Income**	**HCD Moderate Income**	**TOTAL**
Studio	187	59	187	**433**
1-Bdrm		4	24	**28**
TOTAL	**187**	**63**	**211**	**461**

During the 55-year term of the Covenant Agreement, tenant household income eligibility limits and maximum rents are required to be maintained at the lower of the HCD limits or the TCAC limits.

The following table indicates the itemization of units that CRA/LA is credited under California Redevelopment Law ("CRL").

	INCLUSIONARY PRODUCTION UNITS		HOUSING FUNDS ALLOCATION	
INCOME CATEGORY	**# OF UNITS**	**% OF TOTAL**	**FUNDS**	**% OF TOTAL**
Very Low Income	187	41%	$4,879,000	28%
Low Income	63	14%	$1,666,000	20%
Moderate Income	211	45%	$5,355,000	52%
TOTAL	461	100%	$11,900,000	100%

The CRA/LA is required to comply with the inclusionary housing obligation imposed by Section 33413(b) of the California Community Redevelopment Law that requires 15% of all housing developed in a Project Area be low- and moderate-income housing subject to long-term income and affordability covenants, of which 40% must be affordable to persons and families of very low-income. Based on the analysis of historical and projected housing production included in the City Center Five-Year Implementation Plan for FY2005-FY2009, the CRA/LA expects the production of affordable housing in the City Center Project Area will more than satisfy both the 15% inclusionary housing obligation and the very low-income housing obligation.

The following table indicates the Household Income Mix for the Project compared to CRA/LA Housing Policy guidelines.

HOUSEHOLD INCOME MIX (CRA/LA Housing Policy)			
HUD (not HCD) Income Category	**# of Units**	**Alexandria Apartments % of Total**	**CRA/LA Housing Policy**
Extremely Low (≤30% AMI)	30	7%	15% min.
Very Low (31%-50% AMI)	191	41%	15% min.
Low (51%-80% AMI)	240	52%	
Moderate (81%-120% AMI)	0	0%	30% max.
Total	461	100%	

The CRA/LA Housing Policy requires that not less than 30% of the units shall be Extremely Low and Very Low Income with a goal that not less than 50% of those units shall be affordable at the Extremely Low Income level whenever feasible. The proposed Project complies with the Housing Policy except that it does not meet the goal that 15% of the total units should be in the Extremely Low Income category. Meeting the Extremely Low Income unit goal by converting very low or low income units into extremely low income units would create an additional financing gap.

The CRA/LA loan will accrue 3% simple interest over a 55-year term, payable from 25% of the residual receipts, if any, generated by the residential revenues after the payment of 1st deed of trust debt service, operating expenses, deposits to operating reserves based on TCAC requirements and deposits to replacement reserves. Affordability covenants will be recorded against the property for 55 years. In addition, the Developer is required to comply with all other applicable CRA/LA requirements, including prevailing wage requirements for work completed, Affirmative Outreach and Equal Opportunity, Living Wage, Responsible Contractor, Service Worker Retention, Equal Benefits, design guideline standards and insurance.

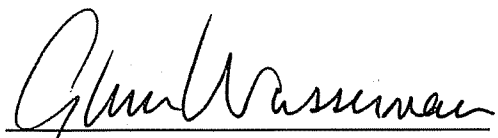
State law permits a redevelopment agency to subordinate its deed of trust and income and use restrictions to senior financing where an economically feasible alternative method of financing the project on substantially comparable terms and conditions is not available without subordination, and where the senior lender agrees to specific notice and cure provisions. A resolution making these findings is attached as Attachment "D". Subordination of the CRA/LA Deed of Trust, housing covenants and use restrictions is required by the construction and permanent lenders as a condition of funding their loan. The CRA/LA will require that to the greatest extent feasible, consistent with the subordination agreements approved by the CRA/LA Board of Commissioners in connection with the issuance of the CRA/LA loan commitment, the Subordination Agreements will contain the following notice and cure provisions which reasonably protect the CRA/LA's investment in the event of the Developer's default under any of the senior loans:

1) A right of the CRA/LA to cure a default on the Loan;
2) A right of the CRA/LA to negotiate with the lenders after a Notice of Default has been issued by the lender;
3) A right of the CRA/LA to purchase the project from the Developer at any time after a default on the loan; and
4) An agreement that if, prior to foreclosure of the loan, the CRA/LA takes title to the project and cures the default on the loan, the lender will not exercise any right it may have to accelerate the loan by reason of the transfer of title to the CRA/LA.

In December 2007, Cangress (LA CAN) and a number of individuals filed a complaint in federal court seeking damages, declaratory relief and injunctive relief against the Developer, Logan Property Management, the CRA/LA and the City on a variety of claims. On or about July 31, 2008 plaintiffs filed a Second Amended Complaint. Then on or about August 15, 2008 the Developer filed a cross claim against CRA/LA for declaratory relief. On or about September 10, 2008 CRA/LA filed a cross claim against Developer. Since September 2008, the parties have been meeting under the supervision of Federal Magistrate Johnson and are near agreement on a settlement that will address all of the claims and cross claims and result in dismissal of all lawsuits. . .

Cecilia V. Estolano
Chief Executive Officer

By



Glenn F. Wasserman
Chief Operating Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

Attachment A – Site Map
Attachment B – Affordability Preservation Plan
Attachment C – Sources and Uses
Attachment D – Subordination Resolution

Attachmer "A"

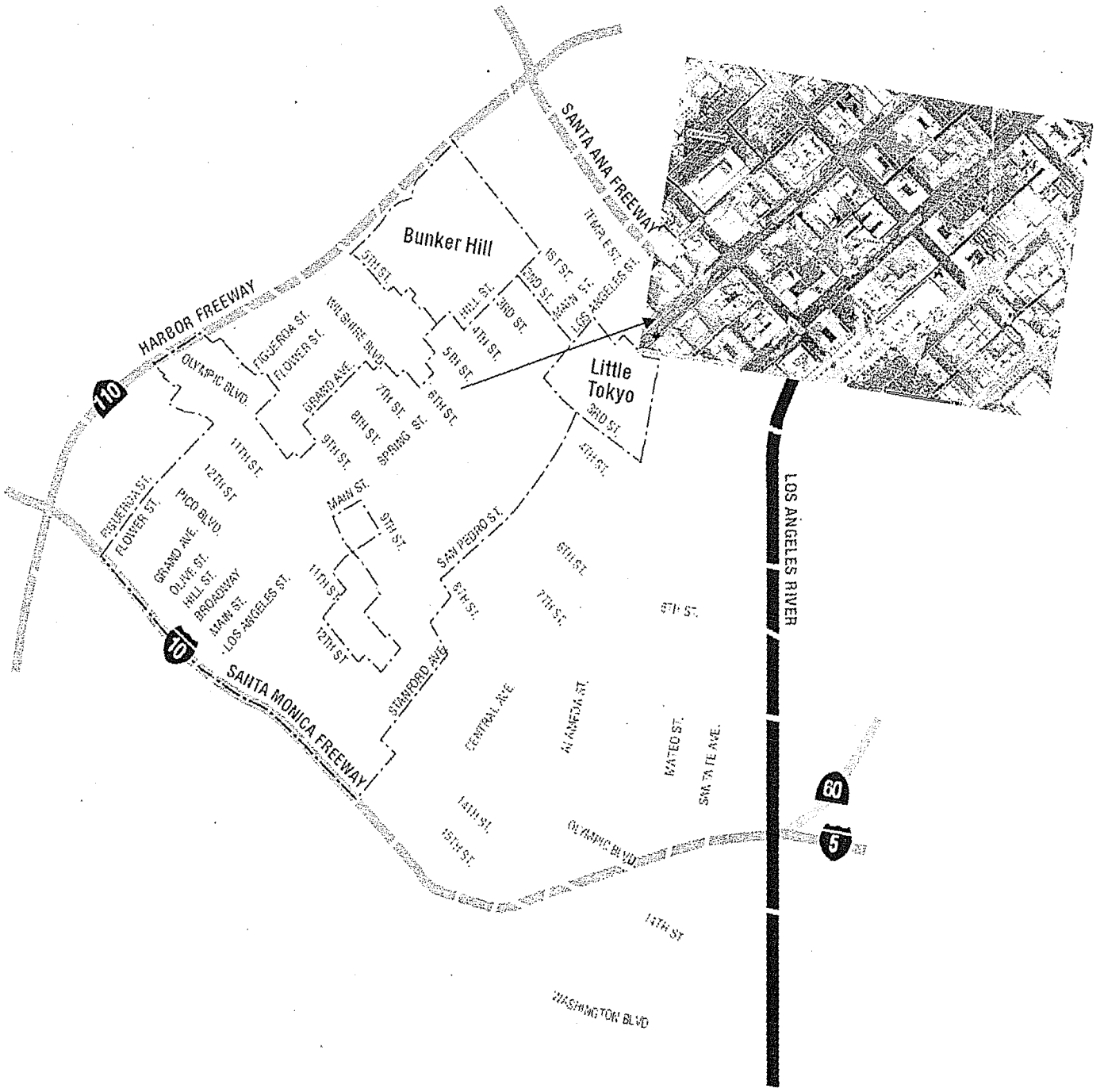
City Center

Redevelopment Project

Alexandria Hotel

501 South Spring Street

CRA/LA



Attachment B

ALEXANDRIA APARTMENTS PROJECT
AFFORDABILITY PRESERVATION PLAN

INTRODUCTION

This document constitutes the Affordability Preservation Plan (the "Plan") for 82 units at the Alexandria Apartments Project (the "Project") that could not be achieved with the proposed $11.9 million CRA/LA loan. The Plan was prepared in accordance with the provisions described in Section II.B.5 of the draft settlement agreement to resolve the Alexandria Litigation.

Any unit designated as an Affordability Preservation Plan unit for the Alexandria Project may not be counted to satisfy a CRA/LA replacement housing obligation pursuant to State Law.

PROJECT DESCRIPTION

The Alexandria Hotel is located within the City Center Project Area on a 0.79-acre site at the southwest corner of Fifth and Spring Streets. The Alexandria is comprised of the original eight-story hotel completed in 1906 and the twelve-story annex completed in 1912, resulting in a 264,150 square feet structure built above two levels of subterranean parking. Built as a luxury hotel, the Alexandria was a center of the City's social life during the early part of the 20th century. In recognition of its significance, the Alexandria Hotel is listed in the National Register of Historic Places as a contributing structure in the Spring Street Financial District, while the hotel's Palm Court is designated Historic Cultural Monument No. 80 of the City of Los Angeles.

During the latter part of the 20th century, the Alexandria was operated as a 463-room residential hotel offering rentals on a daily, weekly and monthly basis. By 2006, the 100 year old Alexandria was in need of significant repairs, lacked effective management, and had become the source of frequent police calls, building code violations and tenant complaints.

The Project involves the acquisition and rehabilitation of the historic Alexandria Hotel. Upon completion of the rehabilitation work, the Alexandria Apartments Project will have 463 upgraded units, including 461 income-restricted units with 55-year affordability covenants and 2 manager units. Among the 461 affordable units, there will be 433 single units and 28 one-bedroom units. Every unit will have a renovated private bathroom with new or upgraded fixtures, new wall and floor coverings, new kitchenette, and new phone jack; prior to the rehabilitation project, none of the rooms had a kitchenette or phone jack. The common areas on the residential floors will also be renovated. On the ground-floor and mezzanine level, the existing commercial spaces will be improved and public areas that had been underutilized in recent decades will be restored and reactivated, including the Palm Court. The exterior façade will undergo a thorough cleaning and have new lighting installed.

AFFORDABILITY SURPLUS AND SHORTFALL

The table below indicates the breakdown of units by TCAC affordability level for: the Alexandria Project's affordability goal ("Affordability Goal" row), the affordable units achieved onsite by the covenants from the proposed $11.9 million CRA/LA loan ("CRA/LA Covenants" row), and the surplus or shortfall ("Surplus/Shortfall" row). This shortfall represents the Affordability Preservation units to be achieved by this Plan

ALEXANDRIA AFFORDABILITY SURPLUS AND SHORTFALL (Breakdown of Units by TCAC Affordability Level)									
Alexandria Project	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordability Goal	single	58	136	57	34	25	18	105	461
	1-Bdrm	-	-	-	-	4	-	24	
CRA/LA Covenants	single	30	100	57	34	25	0	187	461
	1-Bdrm					4		24	
Surplus(+) / Shortfall(-)	single	-28	-36	0	0	0	-18	+82	0

AVAILABLE OFFSITE INVENTORY FOR AFFORDABILITY PRESERVATION UNITS

Production of new affordable housing units at the projects identified and described below provides an available inventory to achieve the Alexandria Affordability Preservation units. These projects are located within the City Center Redevelopment Project Area, and each will have been completed and available for occupancy by late 2010.

1. Victor Clothing Lofts (242 S. Broadway): adaptive reuse project developed by Neighborhood Effort; 37 affordable units (all singles) with 55-year covenants; completed in October 2007.

2. Abbey Apartments (625 S. San Pedro St.): new construction project developed by Skid Row Housing Trust; 113 affordable units (all singles) with 55-year covenants; completed in December 2008.

3. James Wood SRO Apartments (506 S. San Julian St.): new construction project developed by SRO Housing Corporation; 52 affordable units (all singles) with 55-year covenants; currently under construction with completion expected in October 2009.

4. New Genesis Apartments (484 S. Main St.): replaces the existing Genesis Hotel with a new construction project developed by Skid Row Housing Trust; 104 affordable units (98 singles and 6 one-bedroom units) with 55-year covenants; developer has secured site control, entitlements and financing, including a $2.1 million loan authorized by the CRA/LA Board in October 2008; currently on track to commence construction by April 2009 with completion expected in late 2010.

5. New Carver Apartments (325 W. 17th St.): new construction project developed by Skid Row Housing Trust; 84 affordable units (all singles) with 55-year covenants; currently under construction with completion expected in July 2009.

POTENTIAL OPTIONS FOR AFFORDABILITY PRESERVATION UNITS

Option A

Under this option, the 82 Affordability Preservation units for the Alexandria Project would be achieved offsite. The following table indicates the breakdown of units by affordability level at each project for the Alexandria Affordability Preservation Plan ("APP") units under Option A.

OPTION A: ALEXANDRIA AFFORDABILITY PRESERVATION UNITS (Breakdown of Units by TCAC Affordability Level)									
Project	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Victor Clothing Lofts	single	-	12	-	-	-	-	-	12
Abbey Apartments	single	4	24	-	-	-	-	-	28
James Wood SRO Apts	single	24	-	-	-	-	-	-	24
New Genesis Apts	single	-	-	-	-	-	18	-	18
Alexandria APP Total	single	28	36	-	-	-	18	-	82

The following table indicates the unit breakdown by TCAC affordability level at each project, in terms of: affordable units overall at that site, designated units for the Alexandria Affordability Preservation Plan or any CRA/LA replacement obligation, and the remaining surplus available to satisfy future CRA/LA replacement obligations.

OPTION A: REMAINING SURPLUS AVAILABLE AS REPLACEMENT UNITS (Breakdown of Units by TCAC Affordability Level)									
Victor Clothing Lofts	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordable Units Overall	single	-	12	-	24	-	1	-	37
Alexandria APP Units	single	-	12	-	-	-	-	-	12
Remaining Surplus	single	-	0	-	24	-	1	-	25

Abbey Apartments	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordable Units Overall	single	4	45	-	64	-	-	-	113
Alexandria APP Units	single	4	24	-	-	-	-	-	28
Remaining Surplus	single	0	21	-	64	-	-	-	85

James Wood SRO Apts	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordable Units Overall	single	27	10	15	-	-	-	-	52
Alexandria APP Units	single	24	-	-	-	-	-	-	24
Remaining Surplus	single	3	10	15	-	-	-	-	28

New Genesis Apts	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordable Units Overall	single	62	16	-	-	2	18	-	98
Alexandria APP Units	single	-	-	-	-		18	-	18
Genesis Replacement	single	12	16	-	-	-	-	-	28
Remaining Surplus	single	50	0	-	-	2	0	-	52

Option B

Under this option, the 82 Affordability Preservation units would be achieved offsite and onsite. The 18 units at 55% AMI would be achieved offsite at the New Genesis Apartments. The 64 other units (28 units at 30% AMI and 36 units at 35% AMI) would be achieved onsite by utilizing the CRA/LA's unconditional right to provide or direct additional funds to the Developer for the purchase of deeper affordability. This right was included in the Regulatory Agreement and the Declaration of Covenants through the various actions related to the Alexandria Apartments Project approved by the CRA/LA Board on July 20, 2006. Achieving the deeper affordability for those 64 units onsite from the inventory of 60% AMI units is estimated to cost approximately $3 million. This option will expire on the anticipated date of conversion, which could be as early as April 2009 but no later than October 1, 2009.

The following table indicates the breakdown of units by affordability level at each project for the Alexandria Affordability Preservation Plan units under Option B.

OPTION B: ALEXANDRIA AFFORDABILITY PRESERVATION UNITS (Breakdown of Units by TCAC Affordability Level)									
Project	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Alexandria Apartments	single	28	36	-	-	-	-	-	64
New Genesis Apts	single	-	-	-	-	-	18	-	18
Alexandria APP Total	single	28	36	-	-	-	18	-	82

The following table provides a summary of how the affordability preservation Goal would be met under Option B, in terms of onsite and offsite.

OPTION B: ALEXANDRIA AFFORDABILITY GOAL SUMMARY (Breakdown of Units by TCAC Affordability Level)									
Alexandria Project	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordability Goal	single	58	136	57	34	25	18	105	461
	1-Bdrm	-	-	-	-	4	-	24	
Alexandria Apts Onsite	single	58	136	57	34	25	0	123	461
	1-Bdrm	-	-	-	-	4	-	24	
Alexandria APP Offsite	single	-	-	-	-	-	18	-	18
Surplus(+) / Shortfall(-)	single	0	0	0	0	0	0	+18	+18

The following table indicates the unit breakdown by TCAC affordability level at each offsite project under Option B, in terms of: affordable units overall at that site, designated units for the Alexandria Affordability Preservation Plan ("APP") or any CRA/LA replacement obligation, and the remaining surplus available to satisfy future CRA/LA replacement obligations.

OPTION B: REMAINING SURPLUS AVAILABLE AS REPLACEMENT UNITS (Breakdown of Units by TCAC Affordability Level)									
New Genesis Apts	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordable Units Overall	single	62	16	-	-	2	18	-	98
Alexandria APP Units	single	-	-	-	-		18	-	18
Genesis Replacement	single	12	16	-	-	-	-	-	28
Remaining Surplus	single	50	0	-	-	2	0	-	52

Option C

Under this option, the 82 Affordability Preservation units would be achieved offsite and onsite. As with Option B, the 18 units at 55% AMI would be achieved offsite at the New Genesis Apartments and the other 64 units would be achieved onsite. While Option B would purchase deeper affordability on 64 units from the onsite inventory of 60% AMI units, this option instead would purchase deeper affordability on 64 units from the onsite inventory of units already covenanted by the proposed $11.9 million CRA/LA loan at 40% AMI and 45% AMI. Since these units are already occupied, the deeper affordability would be purchased on individual units as they become available through attrition.

Purchasing deeper affordability on 30 of the 40% AMI units and 34 of the 45% AMI units would eliminate the affordability goal shortfall on units at 30% AMI and 35% AMI, while at the same time creating a new shortfall on units at 40% AMI and 45% AMI. This new shortfall would be met offsite at the Victor Clothing Lofts, Abbey Apartments, James Wood SRO Apartments, and New Carver Apartments.

Under Option C, achieving the deeper affordability for those 64 units onsite would cost approximately $1 million to $1.5 million, compared to $3 million under Option B.

The following table indicates the breakdown of units by affordability level at each project for the Alexandria Affordability Preservation Plan units under Option C.

OPTION C: ALEXANDRIA AFFORDABILITY PRESERVATION UNITS (Breakdown of Units by TCAC Affordability Level)									
Project	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Alexandria Apartments	single	28	36	-30	-34	-	-	-	0
Victor Clothing Lofts	single	-	-	-	24	-	-	-	24
Abbey Apartments	single	-	-	-	10	-	-	-	10
James Wood SRO Apts	single	-	-	15	-	-	-	-	15
New Carver Apts	single	-	-	15	-	-	-	-	15
New Genesis Apts	single	-	-	-	-	-	18	-	18
Alexandria APP Total	single	28	36	0	0	-	18	-	82

The following table provides a summary of how the affordability preservation goal would be met under Option C, in terms of onsite and offsite.

OPTION C: ALEXANDRIA AFFORDABILITY GOAL SUMMARY (Breakdown of Units by TCAC Affordability Level)									
Alexandria Project	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordability Goal	single	58	136	57	34	25	18	105	461
	1-Bdrm	-	-	-	-	4	-	24	
Alexandria Apts Onsite	single	58	136	27	0	25	0	187	461
	1-Bdrm	-	-	-	-	4	-	24	
Alexandria APP Offsite	single	-	-	30	34	-	18	-	82
Surplus(+) / Shortfall(-)	single	0	0	0	0	0	0	+82	+82

The following table indicates the unit breakdown by TCAC affordability level at each project under Option C, in terms of: affordable units overall at that site, designated units for the Alexandria Affordability Preservation Plan ("APP") or any CRA/LA replacement obligation, and the remaining surplus available to satisfy future CRA/LA replacement obligations.

OPTION C: REMAINING SURPLUS AVAILABLE AS REPLACEMENT UNITS (Breakdown of Units by TCAC Affordability Level)									
Victor Clothing Lofts	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordable Units Overall	single	-	12	-	24	-	1	-	37
Alexandria APP Units	single	-	-	-	24	-	-	-	24
Remaining Surplus	single	-	12	-	0	-	1	-	13

Abbey Apartments	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordable Units Overall	single	4	45	-	64	-	-	-	113
Alexandria APP Units	single	-	-	-	10	-	-	-	10
Remaining Surplus	single	4	45	-	54	-	-	-	103

James Wood SRO Apts	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordable Units Overall	single	27	10	15	-	-	-	-	52
Alexandria APP Units	single	-	-	15	-	-	-	-	15
Remaining Surplus	single	27	10	0	-	-	-	-	37

New Carver Apts	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordable Units Overall	single	-	-	74	-	10	-	-	84
Alexandria APP Units	single	-	-	15	-	-	-	-	15
Remaining Surplus	single	-	-	59	-	10	-	-	69

New Genesis Apts	**Unit Type**	**30% AMI**	**35% AMI**	**40% AMI**	**45% AMI**	**50% AMI**	**55% AMI**	**60% AMI**	**Total**
Affordable Units Overall	single	62	16	-	-	2	18	-	98
Alexandria APP Units	single	-	-	-	-		18	-	18
Genesis Replacement	single	12	16	-	-	-	-	-	28
Remaining Surplus	single	50	0	-	-	2	0	-	52

Attachment C

Sources and Uses of Funds

Debt:		
Perm Loan #1 (5.71% Interest & fees, 1.15 DCR, 35-year amort.)	25,900,000	(ARCS)
Perm Loan #2	0	
Perm Loan #3 (3.00% Interest, cash flow basis)	11,900,000	(CRA of City of Los Angeles)
Deferred Developer Fee (payable from cash flow over 8 years)	1,925,314	(deferred fee = 90% of total fee)
Equity:		
Tax Credit Equity @ $1.0550 (99.99% of available credits)	18,512,143	(equity = $39,983 per LI unit)
Capitalized Interest Paid from Operations	2,152,633	
Loss During Lease-Up	4,608,378	
Bridge Loan	0	
TOTAL SOURCES	55,781,712	

		Per Unit	Per SF
Property Acquisition	30,526,855	65,933	180.32
Renovation Costs	16,018,426	34,597	94.62
Indirect Costs:			
Third Party Reports	255,952	553	1.51
Financing Placement	2,065,521	4,461	12.20
Capitalized Interest	2,152,633	4,649	12.72
Accounting Fees	242,885	525	1.43
Legal & Organizational Fees	206,415	446	1.22
Relocation Allowance	195,899	423	1.16
Initial Deposits to Reserves	865,000	1,868	5.11
Tax Credit Reservations Fees	211,275	456	1.25
Other Fees and Costs	907,882	1,961	5.36
Developer Fee (non-deferred portion=$814,663)	2,132,969	4,607	12.60
TOTAL USES	55,781,712	120,479	329.50

ATTACHMENT "D"

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CA

RESOLUTION NO._____

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA REGARDING THE SUBORDINATION OF ITS USE RESTRICTIONS PURSUANT TO SECTION 33334.14 OF THE COMMUNITY REDEVELOPMENT LAW.

WHEREAS, the Community Redevelopment Agency of the City of Los Angeles, California ("CRA/LA") will enter into a Permanent Loan Agreement (the "Loan Agreement") with Alexandria Housing Partners, L.P., a California limited partnership ("Developer") pursuant to which the CRA/LA will provide financial assistance to the Developer for the purpose of developing housing that is affordable to persons or families of low, very low and extremely low income (the "Rental Project"); and

WHEREAS, the Loan Agreement requires covenants to be recorded against the Rental Project placing certain limits on the maximum rents that can be charged, and the maximum income that can be earned by tenants qualified to rent such housing (the "Income and Rent Restrictions"); and

WHEREAS, Section 33334.14 of the Community Redevelopment Law permits the CRA/LA, under certain circumstances, to subordinate the Income and Rents Restrictions to the lien of a lender providing financing for the Rental Project; and

WHEREAS, the Developer has obtained commitments of financing from lenders conditioned upon the subordination of the CRA/LA's Income and Rent Restrictions; and

WHEREAS, there has been presented to the CRA/LA evidence sufficient on which to find that an economically feasible alternative method of financing the Rental Project on substantially comparable terms and conditions, but without subordination, is not reasonably available.

NOW, THEREFORE, THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The CRA/LA Board of Commissioners hereby finds that an economically feasible alternative method of financing the Rental Project on substantially comparable terms and conditions, but without subordination, is not reasonably available.

2. The CRA/LA hereby authorizes the Chief Executive Officer (CEO) of the CRA/LA, or such other official of the CRA/LA as the CEO may designate, to take such actions as may be necessary in order to subordinate the CRA/LA's Income and Rent Restrictions to the lien of the lenders providing financing for the Rental Project, but only upon receipt by the CEO or such designee of written commitments from such lender, reasonably designated to protect the CRA/LA's investment in the event of default, such as the following:

(a) a right of the CRA/LA to cure a default on the loan;

(b) a right of the CRA/LA to negotiate with the lenders after a notice of default has been issued by the lenders;

(c) a right of the CRA/LA to purchase the project from the Developer at any time after a default on the loan; and

(d) an agreement that if, prior to foreclosure of the loan, the CRA/LA takes title to the project and cures the default on the loan, the lender will not exercise any right it may have to accelerate the loan by reason of the transfer of title to the CRA/LA.

ADOPTED BY THE CRA/LA BOARD OF COMMISSIONERS ON:

THE ALEXANDRIA

PERMANENT LOAN AGREEMENT

($11,900,000.00)
(Loan #872550A)

BY AND BETWEEN

THE COMMUNITY REDEVELOPMENT AGENCY
OF
THE CITY OF LOS ANGELES, CALIFORNIA

AND

ALEXANDRIA HOUSING PARTNERS, L. P.

Date: _____, 2009

THE ALEXANDRIA

PERMANENT LOAN AGREEMENT

($11,900,000.00)

This Permanent Loan Agreement (this "**Agreement**" or this "**Loan Agreement**"), dated as of this ___ day of _____, 2009 ("**Effective Date**") is made by and between The Community Redevelopment Agency of the City of Los Angeles, California, a public body, corporate and politic (the **"CRA/LA"**), and Alexandria Housing Partners, L. P., a California limited partnership (**"Developer"**).

RECITALS

A. The CRA/LA wishes to promote the preservation and development of more affordable rental housing in neighborhoods in need of revitalization in the downtown community of the City of Los Angeles and to provide a greater choice of housing opportunities for persons and families of low, very low and extremely low income.

B. The CRA/LA has previously authorized the issuance, sale and delivery of $35,000,000 in Tax-Exempt Multi-Family Housing Revenue Bonds, Series 2006 (the "**Bonds**") pursuant to a Trust Indenture dated as of July 1, 2006 by and between CRA/LA and the Trustee (the "**Indenture**"). The proceeds were utilized to fund a loan to the Developer to enable Developer to finance a portion of the costs of acquisition, rehabilitation and equipping of the Development, and ancillary capital and commercial improvements. A Regulatory Agreement and Declaration of Restrictive Covenants dated August 1, 2006 ("**Regulatory Agreement**") was executed among the CRA/LA as the issuer of the bonds, Wells Fargo Bank, as the Trustee, and the Developer, as the owner.

C. The Bonds have been issued by the CRA/LA to provide funding for a Mortgage Loan made by the Mortgage Lender in the amount of $35,000,000 to the Developer. The Developer has also obtained Tax Credit Equity in the approximate amount of $18,448,800. Pursuant to that certain Reimbursement Agreement dated as of August 1, 2006 and executed by and between Developer and the Construction Lender ("**Reimbursement Agreement**"), and that certain Supplemental Agreement to Master Construction Phase Financing Agreement (The Alexandria) dated as of July 1, 2006 among Fannie Mae, the Construction Lender and ARCS Commercial Mortgage Co., L. P., a California limited partnership (now known as PNC ARCS LLC, A Delaware limited liability company) which incorporates the Master Construction Phase Financing Agreement dated as of July 1, 2006 between Fannie Mae and the Construction Lender, the Construction Lender has issued a letter of credit dated August 10, 2006 in the amount of $35,253,300 to Fannie Mae for the account of Developer.

D. The CRA/LA adopted the Development Guidelines and Controls for Residential Hotels in May, 2006, and pursuant to the provisions therein, the CRA/LA must use every effort to preserve, rehabilitate and replace existing housing units serving lower income households.

E. The Developer wishes to borrow from the CRA/LA, and the CRA/LA wishes to extend to Developer, a loan of ELEVEN MILLION NINE HUNDRED THOUSAND DOLLARS ($11,900,000.00) (the **"Loan"**) funded from the CRA/LA Bunker Hill Low and Moderate Income Housing Funds for that certain real property located at 501 South Spring Street, Los Angeles,

California (as more particularly described in Exhibit A) (the **"Site"**), in furtherance of preservation on the Site of four hundred sixty-three (463) rental apartments and community space (the **"Development"**) in which 461 units will be maintained as housing affordable to Eligible Households of very low, low, and moderate income, and two (2) rental units will be maintained for onsite managers. The Loan is being made to allow for the CRA/LA-requested deeper affordability in the Development, in order to ensure that the Assisted Units remain affordable to Eligible Households in accordance with this Loan Agreement and the Agreement Containing Covenants.

F. Subject to this Agreement, Loan funds will be disbursed to the Construction Lender upon satisfaction of all conditions to disbursement set forth in Article IV of this Agreement.

G. The Site is located in the CRA/LA's City Center Redevelopment Project Area. The rehabilitation of the Site for affordable housing will further the goals of the CRA/LA's Bunker Hill and City Center Redevelopment Plans and Five-Year Implementation Plans.

H. In connection with the Loan, Developer shall execute the Note, the Deed of Trust, the Agreement Containing Covenants, and the Notice of Affordability Restrictions, all of which shall be recorded against the Site. Among other things, these instruments are intended to secure the CRA/LA's continuing interest in the affordability and habitability of the Development, as well as to secure performance of other covenants contained in these agreements.

I. As partial consideration for the Loan, Developer agrees to a grant of the unused density from the Site to the CRA/LA, which shall be evidenced by the Density Covenant which shall be recorded against the Site.

J. The Developer and CRA/LA have executed that certain settlement agreement dated as of _____, 2009 pertaining to the case entitled Leonard Woods, et al. v Alexandria Housing Partners, L.P., et al. (United States District Court, Central District of California, Case Number CV07-08262) (the **"Settlement Agreement"**) pursuant to which Developer, CRA/LA and third parties have reached agreement regarding certain matters related to the Development.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the making of the Loan, Developer and the CRA/LA hereby agree as follows:

ARTICLE I. DEFINITIONS

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

1.1 "CRA/LA" means The Community Redevelopment Agency of the City of Los Angeles, California, a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California, and its authorized representatives, assigns, transferees, or successors-in-interest thereto. The principal office of the CRA/LA is located at 354 South Spring Street, Suite 800, Los Angeles, California 90013.

1.2 "ADJUSTED FOR FAMILY SIZE APPROPRIATE TO THE UNIT" shall be determined consistent with Section 50052.5(h) of the California Health and Safety Code and applicable federal rules.

1.3 "AGREEMENT CONTAINING COVENANTS" means the agreement, in the form of Exhibit E attached hereto, which shall be recorded on the Site and which sets forth certain affordability and management requirements for the Development.

1.4 "ANNUAL FINANCIAL STATEMENT" shall mean the financial statement of Operating Expenses and Revenues, prepared at the Developer's expense, in accordance with GAAP by an independent certified public accountant reasonably acceptable to the CRA/LA, which shall form the basis for determining the Residual Receipts.

1.5 "AREA MEDIAN INCOME" or **"AMI"** means the median income for Los Angeles County as determined by California Department of Housing and Community Development (**"HCD"**) in accordance with California Health and Safety Code Section 50093.

1.6 "ASSISTED UNITS" means 461 of the residential units in the Development.

1.7 "BOND REGULATORY AGREEMENT" means that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of August 1, 2006, executed by and among CRA/LA, Owner and Wells Fargo Bank, National Association as Trustee.

1.8 "BUSINESS DAY" means Monday through Friday, inclusive, excluding any day of the year on which the CRA/LA or the City is required or authorized to close.

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

1.10 "CLAIMS" is defined in Section 9.1.

1.11 "CLOSING DATE" means the date that the proceeds of the CRA/LA Loan are disbursed and the Agreement Containing Covenants and the Deed of Trust are recorded.

1.12 "COMMUNITY REDEVELOPMENT LAW" means the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000, et seq.).

1.13 "CONSTRUCTION LENDER" means East West Bank, a California banking corporation.

1.14 "CONVERSION DATE" means the "Termination Date" as defined in the Supplemental Agreement to Master Construction Phase Financing Agreement (The Alexandria) dated as of July 1, 2006 among Fannie Mae, the Construction Lender and ARCS Commercial Mortgage Co., L.P., a California limited partnership (now known as PNC ARCS LLC, A Delaware limited liability company) which incorporates the Master Construction Phase Financing Agreement dated as of July 1, 2006 between Fannie Mae and the Construction Lender.

1.15 "DEED OF TRUST" is the deed of trust, assignment of rents, security agreement and fixture filing, in the form of Exhibit D attached hereto, placed on the Site as security for the Loan by Developer as trustor with the CRA/LA as beneficiary, as well as any amendments to, modifications of, and restatements of said deed of trust.

1.16 "DENSITY COVENANT" means the agreement, in the form of Exhibit J attached hereto, to be recorded on the Site which sets forth a grant of unused density from the Site to the CRA/LA.

1.17 "DEVELOPER" is Alexandria Housing Partners, L. P., a California limited partnership. The term "Developer" shall also include the Developer's assigns, transferees, or successors-in-interest thereto.

1.18 [Reserved]

1.19 "DEVELOPMENT" is defined in Recital E.

1.20 "ELIGIBLE HOUSEHOLD" means a household for which gross household income upon initial occupancy does not exceed the maximum income level for an Assisted Unit as specified in Sections 8.5 and 8.5.1.

1.21 "FISCAL YEAR" shall mean the year beginning on January 1 and ending December 31.

1.22 "GAAP" shall mean generally accepted accounting principles as promulgated by the Financial Accounting Standards Board, consistently maintained and applied throughout the applicable period.

1.23 "GROSS REVENUE" with respect to a particular Fiscal Year shall mean all revenue, income, receipts, and other consideration from residential operations actually received from operation of leasing of the Development. Gross Revenue shall include, but not be limited to: all rents, fees and charges paid by tenants, Section 8 payments or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants, all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines, parking fees payable by residential tenants; the proceeds of business interruption or similar insurance; the proceeds of casualty insurance (if not used to replace or repair the Development); and condemnation awards for a taking of part of all of the Development for a temporary period. Gross Revenue shall also include the fair market value of any goods or services provided in consideration for the leasing or other use of any residential portion of the Development. Gross Revenue shall not include tenants' security deposits, interest on security deposits, loan proceeds, capital contributions or similar advances, amounts released from reserves or interest on reserves or revenue, receipts or other consideration relating to the nonresidential portions of the Development.

1.24 "HAZARDOUS MATERIALS" means any substance, material, waste, pollutant, or contaminant which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is defined, regulated, or listed as "hazardous" or "extremely hazardous" or defined, regulated or listed as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," "toxic substance," "extremely hazardous waste," or "restricted hazardous waste" under any federal, state or local environmental or health and safety laws and regulations, as may be amended from time to time. Hazardous Materials include, but are not limited to, petroleum and petroleum byproducts, flammable explosives, urea formaldehyde insulation, polychlorinated biphenyls, radioactive materials, asbestos, and lead. Hazardous Materials do not include substances that are used or consumed in the normal course of developing, operating, maintaining or occupying a housing project, to the extent and degree

that such substances are stored, used, and disposed of in the manner and in amounts that are consistent with normal practice and legal standards.

1.25 "HOUSING MANAGEMENT REQUIREMENTS" shall mean the requirements for managing the Development as set forth in Exhibit E.

1.26 "IMPROVEMENTS" means the Development located on the Site, consisting of four hundred sixty-three (463) residential rental units and associated parking.

1.27 "INDENTURE" is defined in Recital B.

1.28 "INDEMNITEES" is defined in Section 9.1.

1.29 "INVESTOR" means CTCW-Alexandria Housing LLC, a Delaware limited liability company or its successors and assigns as the investor limited partner of Developer.

1.30 "LOAN" is defined in Recital D.

1.31 "LOAN AGREEMENT" means this loan agreement entered into between the CRA/LA and Developer.

1.32 "LOAN DOCUMENTS" are collectively the Loan Agreement, the Deed of Trust, the Note, the Agreement Containing Covenants, the Notice of Affordability Restrictions and the Density Covenant, as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

1.33 "LOW INCOME HOUSEHOLD" means a "Lower income household" as defined in California Health and Safety Code Section 50079.5 as such may be amended from time to time.

1.34 "MODERATE INCOME HOUSEHOLD" means "Persons and families of low or moderate income" as defined in California Health and Safety Code Section 50093 as such may be amended from time to time.

1.35 "MORTGAGE LOAN" means the mortgage loan made by CRA/LA and Fannie Mae as their respective interests may appear ("**Mortgage Lender**") in the amount of $35,000,000 to the Developer pursuant to a Financing Agreement dated August 1, 2006, among the CRA/LA as Issuer, Wells Fargo Bank as Trustee, and the Developer as Borrower. The Mortgage Loan has been made by the Mortgage Lender to the Developer in accordance with the requirements of Fannie Mae. The Mortgage Lender is also identified as the permanent lender.

1.36 "NOTE" is the promissory note executed by Developer in favor of the CRA/LA evidencing the Loan, in the form of Exhibit C attached hereto, which is secured by the Deed of Trust, as well as any amendments to, modifications of, or restatements of said promissory note.

1.37 "NOTICE OF AFFORDABILITY RESTRICTIONS" is the Notice of Affordability Restrictions on Transfer of Property in the form of Exhibit K attached hereto, to be recorded on the Site.

1.38 "OPERATING EXPENSES" shall mean actual, approved reasonable and customary costs, fees and expenses directly attributable to the operation, recordkeeping, maintenance, taxes and management of the Development (but excluding any commercial

portions thereof), including but not limited to: a commercially reasonable property management fee; taxes and assessments; payroll and payroll taxes for property employees; insurance; security, painting, cleaning, repairs, maintenance and alterations; landscaping; relocation; replacement; sewer charges; utility charges; advertising, promotion and publicity; cable television, satellite and other similar services; office, janitorial, cleaning and building supplies; approved recreational amenities and supplies; purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishing; fire alarm monitoring; fees and expenses of accountants, attorneys, consultants and other professionals. The Operating Expenses shall be reported in the Annual Financial Statement. Expenses for the purpose of calculating residual receipts are subject to CRA/LA approval and shall be calculated on a cash basis. Depreciation and any capital expenditures paid from Replacement Reserves are not eligible operating expenses for calculating Residual Receipts.

1.39 **"OPERATING RESERVE ACCOUNT"** shall mean the reserve fund established by Developer pursuant to Section 3.12 of this Loan Agreement.

1.40 **"PAYMENT DATE"** shall have the meaning set forth in Section 3.10, below.

1.41 **"QUALIFYING RENT"** means the monthly rent to be charged by Developer and payable by a tenant for an Assisted Unit in an amount less than or equal to the applicable maximum amount permitted pursuant to Section 35 of the Agreement Containing Covenants and Section 8.6 of this Loan Agreement.

1.42 **"PERMANENT LENDER"** shall mean the Mortgage Lender or an alternative lender selected by Developer that is reasonably acceptable to CRA/LA.

1.43 **"REIMBURSEMENT AGREEMENT"** is defined in Recital C.

1.44 **"REPLACEMENT RESERVES"** shall mean the reserve fund established by Developer pursuant to Section 3.11 of this Loan Agreement.

1.45 **"RESIDUAL RECEIPTS"** shall mean residential Revenue reduced in the following order: (1) Operating Expenses calculated on a cash basis; (2) debt service on senior debt secured by the first position deed of trust; (3) payments to the Operating Reserve Account and the Replacement Reserve Fund as required pursuant to this Agreement; (4) payments to operating, replacement or other reserve funds as required by the Investor, Mortgage Lender or Construction Lender; (5) repayment of loans from Developer's general partners or limited partners to Developer for the development or operation of the Development; (6) deferred developer fees; and (7) partnership management fees up to Fifteen Thousand Dollars ($15,000). All calculations of Residual Receipts shall be subject to verification and approval by the CRA/LA.

1.46 **"REVENUE"** shall mean the Gross Revenue, and any other residential rental income derived from the ownership, operation and management of the residential Improvements, but excluding any commercial income derived from the Development.

1.47 **"SETTLEMENT AGREEMENT"** is defined in Recital J.

1.48 **"SITE"** consists of the real property located at 501 S. Spring St., Los Angeles, California and more particularly described in the attached Exhibit A, which is incorporated into this Loan Agreement by this reference.

1.49 "TCAC" is defined in Section 3.12 .

1.50 "TITLE COMPANY" is defined in Section 3.7.

1.51 "TITLE POLICY" is defined in Section 3.7.

1.52 "TRUSTEE" means Wells Fargo Bank, National Association, a national banking association or successor trustee under the Indenture.

1.53 "UNIFORM HAZARDOUS WASTE MANIFEST" shall refer to the State of California Environmental Protection CRA/LA approved form documenting the transportation and proper disposal of hazardous wastes to a state classified hazardous waste disposal site.

1.54 "VERY LOW INCOME HOUSEHOLD" has the meaning set forth in California Health and Safety Code Section 50105, as such may be amended from time to time.

ARTICLE 2. EXHIBITS

The following documents are attached to this Loan Agreement and are incorporated in the Loan Agreement by this reference as though fully set out in the body of the Loan Agreement:

A. Legal Description
B. *Intentionally omitted.*
C. Form of Promissory Note
D. Form of Deed of Trust
E. Form of Agreement Containing Covenants
F. *Intentionally omitted.*
G. Standard Terms and Conditions
H. CRA/LA's Policy on Living Wage, Responsible Contractor, Service Worker Retention and Equal Benefits
I. Local Hiring Responsibilities of Permanent Employers on CRA Assisted Projects.
J. Form of Density Covenant
K. Form of Notice of Affordability Restrictions
L. *Intentionally omitted.*
M. Updated Pro Forma Including Sources and Uses as of Conversion Date
N. CRA/LA Guidelines for Residential Hotels

ARTICLE 3. TERMS OF LOAN

3.1 LOAN. The CRA/LA agrees to provide to Developer a loan of funds from the CRA/LA Bunker Hill Low and Moderate Income Housing Funds in accordance with the terms and conditions of the Loan Documents. The purpose of the Loan is to increase the affordability of the residential units in the Development by providing partial take-out financing for the Development. Upon satisfaction of all conditions to disbursement set forth in Article 4, CRA/LA shall disburse the Loan proceeds to the Construction Lender for use solely for the purposes set forth in Section 3.4.

3.2 AMOUNT OF LOAN. On and subject to the terms and conditions of the Loan Documents, the CRA/LA agrees to make and Developer agrees to accept a loan in an amount equal to ELEVEN MILLION NINE HUNDRED THOUSAND DOLLARS ($11,900,000.00), evidenced by the Note and secured by the Deed of Trust recorded against the Site. The Note shall bear simple interest at the rate of three percent (3%) per annum on the principal amount outstanding from the date of disbursement until paid.

3.3 MATURITY DATE. The Loan shall be repaid to the CRA/LA in annual installments from Residual Receipts to the extent Residual Receipts are available, beginning upon the first Payment Date. Unless sooner due pursuant to the Loan Documents or the Note, the outstanding principal balance of the Loan and all accrued interest thereon shall be due and payable on the date (the **"Maturity Date")** which is the earliest of (a) [redacted], 2064, (the fifty-fifth (55th) anniversary of the date of the Note, (b) the date the Site is sold or refinanced without prior written consent from the CRA/LA, or (c) the occurrence of an Event of Default (as defined in Section 11.1) which remains uncured beyond the expiration of any applicable cure period. Notwithstanding the repayment of the Loan, this Agreement shall remain in effect for the full term hereof, pursuant to Section 12.7.

3.4 USE OF FUNDS. CRA/LA shall disburse Loan proceeds in a single installment in the amount of $11,900,000 to the Construction Lender for use solely as follows:

(i) not less than the sum of Nine Million Dollars ($9,000,000) shall be used to reduce the outstanding principal balance of the Mortgage Loan by not later than the Conversion Date;

(ii) the balance of the Loan proceeds may be used to pay for the following costs associated with the rehabilitation, financing and operation of the Development: funding the Operating Reserve Account; property taxes and assessments; interest, fees and charges related to the Bonds, construction financing, and/or the Mortgage Loan; costs of Conversion (as defined in the Indenture); other Project Costs (as defined in the Reimbursement Agreement), and additional reduction in the principal amount of the Mortgage Loan with a concomitant redemption of a portion of the Bonds. Loan proceeds may not be used for any of the following purposes: (a) payments made pursuant to the Settlement Agreement, (b) attorneys' fees, or (c) litigation expenses.

It shall be a condition to disbursement of Loan proceeds that the Construction Lender shall deliver to CRA/LA a letter agreement satisfactory to CRA/LA pursuant to which Construction Lender agrees to the foregoing restrictions on the use of Loan proceeds.

The parties acknowledge that the purpose of the Loan is to reduce Development debt service and thereby achieve the affordable rent levels required by Section 8.6 of this Loan Agreement for a term of not less than 55 years. The parties further acknowledge that the Loan is made from CRA/LA Bunker Hill Low and Moderate Income Housing Funds and that the use of the Loan proceeds is governed by, and the Loan proceeds may only be used in accordance with, the Community Redevelopment Law.

3.5 PREPAYMENT OF LOAN. No prepayment penalty will be charged to Developer for payment of all or any portion of the Loan amount prior to the Maturity Date. However, prepayment of the Loan shall not affect Developer's obligations under the Agreement Containing Covenants, all of which shall remain in full force and effect for the entire term of the Agreement Containing Covenants.

3.6 COLLATERAL. As collateral for the Loan, the Developer shall execute and deliver to CRA/LA the Deed of Trust in the form attached as Exhibit D, giving CRA/LA various security interests in the Site. The Developer shall deliver concurrently with the execution of the Deed of Trust, the original executed Note in the form attached as Exhibit C, which CRA/LA shall hold until the Note is paid in full.

3.7 TITLE AND TITLE INSURANCE. Developer warrants that it has obtained and maintained good and marketable title to the Site. As a condition to disbursement of the Loan proceeds, a title insurance company acceptable to the CRA/LA (**"Title Company")** shall issue an ALTA lender's policy of title insurance (the **"Title Policy")** in the amount of the Loan, showing Developer as the owner, naming CRA/LA as the insured and showing the CRA/LA Loan subordinate only to a) the Mortgage Loan and related Regulatory Agreement and Declaration of Restrictive Covenants, b) that certain "Forward Commitment Deposit Fee Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by the Developer for the benefit of ARCS Commercial Mortgage Co. L.P., a California limited partnership (now known as PNC ARCS LLC, a Delaware limited liability company), recorded on August 11, 2006 as Instrument No. 06-1790982 ("Forward Commitment"), c) that certain "Construction Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing" executed by the Developer for the benefit of East West Bank as of August 1, 2006 and recorded on August 11, 2006 as Instrument No. 06-1790981 (the "East West Deed of Trust"), and d) a TCAC regulatory agreement; excepting only such defects, liens, encumbrances, and exceptions as are approved by CRA/LA, and containing such endorsements as CRA/LA may reasonably require.

3.8 RECORDING. Prior to disbursement of any of the Loan proceeds, the Title Company shall record the Agreement Containing Covenants, the Notice of Affordability Restrictions, the Deed of Trust and the Density Covenant with the Recorder for the County of Los Angeles, and shall deliver conformed copies of the recorded documents to the CRA/LA and Developer.

3.9 SUBORDINATION OF COVENANTS. The Chief Executive Officer shall execute such subordination agreements consistent with Health and Safety Code Section 33334.14 and the Resolution of the CRA/LA Board authorizing the subordination, as necessary to subordinate the Deed of Trust, the Agreement Containing Covenants, the Notice of Affordability Restrictions and the Density Covenant to the Mortgage Loan (including the Bond regulatory agreement), the Forward Commitment and the East West Deed of Trust, but only upon receipt by the Chief Executive Officer or designee of written commitments from such lender, reasonably designed to protect the CRA/LA's investment in the event of default, such as the following:

(a) A right of the CRA/LA to cure defaults under the construction and permanent loans;

(b) A right of the CRA/LA to negotiate with the construction and permanent lenders after notice of default from the construction and permanent lenders;

(c) An agreement that if prior to foreclosure of the loans, the CRA/LA takes title to the Development and cures the default on the loans, the lender will not exercise any right it may have to accelerate the loans by reason of the transfer of title to the CRA/LA;

(d) A right of the CRA/LA to purchase the Development from the Developer at any time after a default on the loans; and

(e) An agreement by the Developer and senior lender that the senior lender may not accept a deed in lieu of foreclosure and that excess proceeds from any trustee's sale or judicial foreclosure in which the Site is sold unencumbered by the Agreement Containing Covenants be distributed to the CRA/LA to be used for affordable housing purposes.

3.10 REPAYMENT OF CRA/LA LOAN. On or before April 1st of every calendar year starting the calendar year after Conversion and continuing through the Maturity Date or until the Loan is paid in full, whichever comes first (each a **"Payment Date"**), the Developer shall submit to the CRA/LA its Annual Financial Statement for the preceding year (but for the first year of the term hereof a partial year commencing on the Conversion Date, and for the last year of the term a partial year ending on the Maturity Date), prepared at the Developer's expense by an independent certified public accountant reasonably acceptable to the CRA/LA, and shall pay to the CRA/LA twenty-five percent (25%) of the Residual Receipts, if any. Residual Receipts shall be determined on the basis of the Annual Financial Statement. CRA/LA shall review and approve such statement, or request revisions, within 30 days after receipt. In the event that the CRA/LA determines as the result of its review that there is an understatement in the amount of Residual Receipts, Developer shall promptly review with CRA/LA its determination of such understatement and shall promptly pay to the CRA/LA the CRA/LA's share of such understatement that is not in dispute but in any event within ten (10) days of notice of such understatement. In the event that Developer disputes CRA/LA's determination of an understatement, or any portion of such understatement, the parties shall submit such dispute to a third-party independent certified public accountant who shall review CRA/LA's determination of such underpayment and shall make a final determination of the Residual Receipts.

The remaining seventy-five percent (75%) of the Residual Receipts shall be paid to the Developer. Upon satisfaction of all payment obligations set forth in the Loan Documents, the CRA/LA shall have no further right to payment of any portion of Residual Receipts. If Residual Receipts (as they may be available from time to time) are not sufficient to pay in full the outstanding principal balance of the Loan and all interest accrued thereon by the Maturity Date, then the entire unpaid balance of the Loan (principal and interest) shall be due and payable on the Maturity Date in one lump sum payment.

3.11 REPLACEMENT RESERVE FUND. The requirements set forth in this Section 3.11 shall only apply during any period that a comparable replacement reserve is not required by the Mortgage Lender or Developer's tax credit investors. Concurrently with disbursement of the Loan proceeds, the Developer shall establish and thereafter maintain, in an interest bearing account designated by the CRA/LA Chief Executive Officer, a reserve fund to be known as the Replacement Reserve Fund, to be used for the purpose of replacing structural elements or equipment of the Improvements, or for any other purpose consistent with maintaining the physical or financial integrity of the Improvements. Annually, by not later than each Payment Date, the Developer shall make a deposit to the Replacement Reserve Fund equal to at least $300 dollars per residential unit in the Development, unless and until a different amount is required by the CRA/LA based upon a physical needs assessment conducted by an independent third party, provided that no such change in amount shall exceed the annual percentage rent increase permitted to be charged for Assisted Units. If the Developer shall fail to make such payment, the CRA/LA may assess a late charge of 5% of the amount not paid, which late charge shall be added to the Replacement Reserve Fund. The Replacement Reserve Fund shall remain in the form of cash or shall be invested as reasonably approved by the CRA/LA, and shall include all earnings thereon. This Replacement Reserve Fund shall be maintained during the entire time that the Loan or portion thereof remains outstanding. The Developer shall not withdraw funds from the Replacement Reserve Fund without the prior

written consent of the CRA/LA Administrator or designee. Withdrawals from the Replacement Reserve Account may also require the prior written approval of other lenders or investors.

Upon the occurrence of an Event of Default under this Loan Agreement or the other Loan Documents which would permit CRA/LA to accelerate the Loan, CRA/LA may, subject to the rights of the holders of senior security instruments contemplated by this Loan Agreement, apply or authorize the application of the Replacement Reserve Fund to the amount then due under the CRA/LA Note or may use such funds for the continued operation of the Improvements.

3.12 OPERATING RESERVE. Concurrently with disbursement of the CRA/LA Loan proceeds, the Developer shall establish and thereafter maintain, in an interest bearing account designated by the CRA/LA Chief Executive Officer, a reserve fund to be known as the Operating Reserve Account, to be used for any Operating Expense deficit. Developer shall cause the Operating Reserve Account to be established and capitalized at the beginning of the project with an amount equal to three (3) months of Operating Expenses and three (3) months of hard debt service. Additional annual deposits to the Operating Reserve Account shall only be required if the draw down of reserve funds results in less than three (3) months of operating expenses and three (3) months of hard debt service being held in reserve. These reserves shall stay with the Development at the end of the tax credit compliance period. To the extent that funds are available to deposit, the Operating Reserve Account shall be maintained during any period when the CRA/LA Loan or any portion thereof remains outstanding. Operating Reserve funds may be expended only when actual Revenue is insufficient to pay Operating Expenses. The Developer shall not draw funds from the Operating Reserve Account in excess of the last annual Operating Reserve contribution without the prior written consent of the CRA/LA Chief Executive Officer or designee.

Upon the occurrence of an Event of Default under this Loan Agreement or the other Loan Documents which would permit CRA/LA to accelerate the Loan, CRA/LA may, subject to the rights of the holders of senior security instruments contemplated by this Loan, apply or authorize the application of the funds in the Operating Reserve Account to the amount then due under the CRA/LA Note or use such funds for the continued operation of the Development.

If an operating reserve is established in accordance with the requirements of the California Tax Credit Allocation Committee (**"TCAC"**), the requirements set forth in this Section 3.12 shall be deemed satisfied for so long as such operating reserves are maintained.

ARTICLE 4. LOAN DISBURSEMENT

4.1 DISBURSEMENT OF LOAN PROCEEDS. The Loan proceeds shall be disbursed to the Construction Lender in a single installment in accordance with Section 3.4 upon satisfaction or waiver of all of the conditions precedent to disbursement set forth in this Article 4.

4.2 CONDITIONS PRECEDENT TO DISBURSEMENT. The CRA/LA shall not be obligated to make any disbursements of Loan proceeds or take any other action under the Loan Documents unless and until all of the following conditions precedent have been satisfied:

1. There exists no Event of Default as defined in Section 11.1 of this Loan Agreement, nor any act, failure, omission or condition that would with the giving of notice or the passage of time constitute an Event of Default.

2. The Developer has executed and delivered to the CRA/LA all documents, instruments, and policies required under the Loan Documents in a form reasonably acceptable to the CRA/LA, including but not limited to the Note, Deed of Trust, Notice of Affordability Restrictions, Agreement Containing Covenants and Density Covenant.

3. The Developer has delivered to the CRA/LA all documents relating to the Developer's corporate authorization of the Loan, including: copies of all resolutions or other necessary actions taken by Developer to authorize the execution of this Loan Agreement and the Loan Documents; a certificate of status of Developer issued by the California Secretary of State.

4. The Deed of Trust, Agreement Containing Covenants, Density Covenant and Notice of Affordability Restrictions shall have been recorded against the Site in the Los Angeles County Recorder's Office.

5. A title company approved by CRA/LA has delivered or shall be committed to deliver to CRA/LA the Title Policy in form acceptable to CRA/LA as required by Section 3.7 above.

6. The Developer has delivered to the CRA/LA certificates of insurance and copies of the insurance policies and endorsements required by Section 9.2 below, (including without limitation, evidence that the Indemnitees are named as additional insureds on all liability policies), which policies shall be satisfactory to the CRA/LA.

7. The Developer shall have delivered an opinion in a form acceptable to CRA/LA from counsel for the Developer that is acceptable to CRA/LA, with respect to: (a) the legality, validity and binding effect of this Loan Agreement and its enforceability against Developer in accordance with its terms; (b) the absence of any litigation or other proceeding, either pending or threatened, which could have a material adverse effect on the ability of the Developer to perform pursuant to the Agreement; and (c) such other standard and customary matters for legal opinions of real estate secured financing transactions as reasonably required by the CRA/LA. The opinion shall disclose whether or not any consent, approval or other authorization, regulation, declaration, or filing with any court or governmental agency or commission or other public entity known to Developer is required for the due execution and delivery of the CRA/LA Note and Deed of Trust or the validity or enforceability thereof;

8. Intentionally omitted.

9. The Title Policy shall contain no exception for mechanics' liens, and Developer shall have delivered to the Title Company all documents and evidence required to enable Title Company to issue the Title Policy in such form.

10. The Title Policy shall show all such taxes, assessments, fees, levies and charges paid current as of the Closing Date.

11. Developer shall have provided a cost certification for the rehabilitation of the Development in form reasonably acceptable to CRA/LA.

12. Developer shall have provided, and CRA/LA shall have approved, an updated pro forma showing all sources and uses for construction and permanent financing for the Development. Such pro forma shall be attached hereto as Exhibit M.

13. Developer shall have provided a written certification in form satisfactory to CRA/LA that there exists no event of default or condition that with the giving of notice or the passage of time would constitute an event of default, or to the best knowledge of Developer's principals, other circumstance that would permit any investor, lender or other provider of permanent financing or credit enhancement for the Development (including without limitation, Fannie Mae, Developer's limited partners, and all other financing sources described in Exhibit M) to rescind such party's commitment to provide such financing or credit enhancement.

14. Developer shall have provided to CRA/LA copies of the following, certified by Developer as current, correct, complete and in effect as of the Closing Date: (i) Developer's partnership agreement, and (ii) Fannie Mae commitment.

15. Construction Lender shall have provided a letter agreement satisfactory to CRA/LA obligating Construction Lender to apply the proceeds of the Agency Loan solely for the purposes set forth in Section 3.4.

16. Developer shall have submitted and CRA/LA shall have approved a management plan and form of lease for the Development as required by this Agreement and the Agreement Containing Covenants.

ARTICLE 5. EXCESS FLOOR AREA

In partial consideration for the Loan, Developer, as the owner of the property, hereby agrees to grant to the CRA/LA the right to use, sell and/or transfer the excess Floor Area (as defined in Article 4.5 of Chapter 1 of the Los Angeles Municipal Code) from the Site not used as of the date of this Loan Agreement by the now-existing building at the site (the "Excess Floor Area") for the CRA/LA's use or transfer in accordance with the Los Angeles Municipal Code. The CRA/LA shall have the right to use, sell and/or transfer all unused development rights relating to the Site, which the parties estimate to be not less than 64,630 square feet of Excess Floor Area from the Site and Developer, or any successor in interest to Developer, shall NOT have any further right or interest in such Excess Floor Area granted to the CRA/LA. Developer shall execute the Density Covenant to be recorded against the Site with the Los Angeles County Recorder evidencing Developer's grant of Excess Floor Area to the CRA/LA pursuant to this Loan Agreement.

ARTICLE 6. ADDITIONAL REQUIREMENTS OF THE CRA/LA

6.1 All tenant lists, applications and waiting lists relating to the Development shall at all times be kept separate and identifiable from any other business of the Developer and shall be maintained as reasonably required by the CRA/LA in a reasonable condition for proper audit

and subject to examination during business hours by representatives of the CRA/LA upon reasonable prior notice.

6.2 Relocation. If following the date of the Settlement Agreement any renovation, rehabilitation or reconstruction of the Development or any other aspect of Developer's operation of the Development results in the permanent or temporary displacement of residential tenants, homeowners, or businesses: (i) the Developer shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits, and (ii) the Developer shall be solely responsible for payment of relocation benefits (if any) required to be paid to all displaced persons and for compliance with all other obligations (if any) associated with complying with said relocation laws and regulations. The Developer hereby agrees to indemnify, defend and hold the Indemnitees harmless from and against any and all Claims arising directly or indirectly as a result of or in connection with the breach of Developer's obligations set forth in this Section 6.2. The provisions of this Section 6.2 shall survive the term of this Agreement. It is further agreed that the Indemnitees do not and shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by CRA/LA, or Developer's deposit with CRA/LA of any of the insurance policies required pursuant to this Agreement.

6.3 Preservation of Affordable Housing Units. It is the intent of this Loan Agreement to preserve the affordability levels specified in Sections 8.5, 8.5.1, and 8.6 hereof. If for any reason in the future any Assisted Units are permanently eliminated, Replacement Housing shall be provided in accordance with CRA/LA policy and the CRA/LA Guidelines for Residential Hotels (attached hereto as Exhibit N) for all units that are removed, and Developer shall ensure that replacement units are affordable at the same income level or lower for not less than fifty-five (55) years.

6.4 Business Tax Registration Certificate. Solely to the extent applicable to it, and subject to any exemptions available to it, the Developer represents that it has obtained and presently holds such Business Tax Registration Certificate(s) as are required by the City's Business Tax Ordinance (Article 1, Chapter 2, Section 21.00 and following, of the Los Angeles Municipal Code). Throughout the term of this Agreement, to the extent applicable to Developer and subject to any applicable exemptions, Developer shall maintain, or obtain as necessary, all such Business Tax Registration Certificates required pursuant to said Ordinance and shall not allow any such Business Tax Registration Certificate to be revoked or suspended.

6.5 Child Support Assignment Orders. The Developer hereby agrees to comply with all applicable State and federal employment reporting requirements relative to its employees, if any. The Developer hereby certifies that, to the best of its knowledge, it is fully complying with the Earnings Assignment Orders of all employees and that it will comply with and implement all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment. The parties hereto agree and acknowledge that this provision is intended to comply with the provisions of Section 10.10(b) of the Los Angeles Administrative Code.

6.6 Barriers To The Disabled. Developer shall maintain the Development and the Site in compliance with all requirements of state, local and federal rules, laws and regulations relating to accessibility for persons with disabilities, including without limitation, the following to the extent any are applicable to the Development and the Site and the Development and the Site are not otherwise exempt: Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794 and implementing regulations at 24 CFR, Part 8); the Americans with Disabilities Act (42 U.S.C. Sections 12131 *et seq.* and 12181 *et seq.* and implementing regulations at 28

CFR Parts 35 and 36); the Fair Housing Act (42 U.S.C. Section 3601 *et seq.* and implementing regulations at 24 CFR Part 100); the Fair Employment and Housing Act (California Government Code Section 12926); and Title 24 of the California Building Code.

ARTICLE 7. LABOR AND EMPLOYMENT REQUIREMENTS

7.1 EQUAL EMPLOYMENT OPPORTUNITY. The Developer, for itself and its successors and assigns agrees that in connection with any future rehabilitation of the improvements on the Site:

(a) The Developer will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, age, disability (actual or perceived), familial status, marital status, source of income, sexual orientation, creed, ancestry, medical condition, Acquired Immune Deficiency Syndrome (AIDS), acquired or perceived, or retaliation for having filed a discrimination complaint. The Developer will take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment without regard to their race, color, religion, national origin, sex, age, disability (actual or perceived), source of income, familial status, marital status, sexual orientation/preference, creed, ancestry, medical condition, Acquired Immune Deficiency Syndrome (AIDS), acquired or perceived, or retaliation for having filed a discrimination complaint. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places at the Site, available to employees and applicants for employment, notices to be provided by the CRA/LA setting forth the provisions of this nondiscrimination clause.

(b) The Developer will, in all solicitations or advertisements for employees placed by or on behalf of the Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, sex, age, disability (actual or perceived), familial status, marital status, source of income, sexual orientation, creed, ancestry, medical condition, Acquired Immune Deficiency Syndrome (AIDS), acquired or perceived, or retaliation for having filed a discrimination complaint.

(c) The Developer will cause the foregoing provisions to be inserted in all contracts for any work covered by this Loan Agreement and entered into on or after the Effective Date of this Loan Agreement so that such provisions will be binding upon each contractor and subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

(d) Developer and any contractors, subcontractors, and professional service providers for the Development shall comply with all requirements concerning equal employment opportunity and shall incorporate such provisions in all construction contracts, professional services contracts, and subcontracts for work on the Development entered into on or after the Effective Date of this Loan Agreement.

7.2 Intentionally omitted.

7.3 PREVAILING WAGES.

Developer shall comply with all requirements set forth in the documents executed by Developer in connection with the issuance of the Bonds and the use of the Bond proceeds pertaining to the payment of prevailing wages pursuant to the California Labor Code.

Developer shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the CRA/LA) the Indemnitees against any and all Claims arising out of the failure or alleged failure of any person or entity (including Developer, its contractor and subcontractors) to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq. and implementing regulation or comply with the other applicable provisions of Labor Code Sections 1720 et seq. and implementing regulations of the Department of Industrial Relations in connection with rehabilitation of the improvements or any other work undertaken or in connection with the Site. The provisions of this Section 7.3 shall survive the term of this Agreement. It is further agreed that the Indemnitees do not and shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by CRA/LA, or Developer's deposit with CRA/LA of any of the insurance policies required pursuant to this Agreement.

7.4 CRA/LA'S LIVING WAGE, CONTRACTOR RESPONSIBILITY, SERVICE WORKER RETENTION, AND EQUAL BENEFITS POLICIES

Developer and its contractors and subcontractors shall comply with the CRA/LA's Living Wage, Contractor Responsibility, Service Worker Retention, and Equal Benefits Policies. The foregoing policies can be viewed and downloaded at www.crala.net. All references to "Contractor" in this section shall apply to Developer and its contractors and subcontractors. In addition, all references to "this Contract" shall mean "this Loan Agreement".

(A) Living Wage and Service Worker Retention Policies

(1) Unless otherwise exempt in accordance with the provisions of the following policies, this Loan Agreement is subject to the applicable provisions of the CRA/LA's Living Wage Policy (LWP) and the CRA/LA's Service Contractor Worker Retention Policy (SCWRP), as amended from time to time.

(a) Payment of a minimum initial wage rate to employees as defined in the LWP and as may be adjusted each July 1 and provision of benefits as defined in the LWP.

(b) Developer further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWP. Contractor shall require each of its Subcontractors within the meaning of the LWP to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Contractor shall deliver the executed pledges from each such subcontractor to the CRA/LA within ninety (90) days of the execution of the Subcontract. Contractor's delivery of executed pledges from each such Subcontractor shall fully discharge the obligation of the Contractor to comply with the provision in the LWP concerning compliance with such federal law.

(c) The Contractor, whether an employer, as defined in the LWP, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the CRA/LA with regard to the employer's compliance or anticipated compliance with the LWP, for participating in proceedings

related to the LWP, for seeking to enforce his or her rights under the LWP by any lawful means, or otherwise asserting rights under the LWP. Contractor shall post the Notice of Prohibition Against Retaliation.

(d) Any Subcontract entered into by the Contractor relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of LWP and the SCWRP, and shall incorporate the "Living Wage Policy and Service Contractor Worker Retention Policy" language.

(e) Contractor shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

(2) Under the provisions of the LWP and SCWRP the CRA/LA shall have the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if the CRA/LA determines that the subject Contractor has violated provisions of the LWP and the SCWRP.

(3) Where under the LWP the designated administrative agency has determined (a) that the Contractor is in violation of the LWP in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the CRA/LA in such circumstances may impound monies otherwise due the Contractor in accordance with the following procedures. Impoundment shall mean that from monies due the Contractor, the CRA/LA may deduct the amount determined to be due and owing by the Contractor to its employees. Such monies shall be placed in the holding account referred to in LWP and disposed of under procedures there described through final and binding arbitration. Whether the Contractor is to continue work following an impoundment shall remain in the unfettered discretion of the CRA/LA. The Contractor may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

(4) Earned Income Tax Credit. This Contract is subject to the provision of the LWP requiring employers to inform employees making less than Twelve Dollars ($12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

(B) Equal Benefits Policy

Unless otherwise exempted in accordance with the provisions of the CRA/LA's Equal Benefits Policy (EBP) this Loan Agreement is subject to the provisions of the EBP as amended from time to time.

(1) Developer certifies and represents that it will comply with the EBP. The Contractor agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

> "During the performance of a Contract with the CRA/LA, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the EBP may be obtained from the Office of the City Administrative Officer, Contractor Enforcement Section at (213) 978-7650."

(2) The failure of the Contractor to comply with the EBP will be deemed to be a material breach of the Loan Agreement.

(3) If the Contractor fails to comply with the EBP the CRA/LA may cancel, terminate or suspend the Loan Agreement, in whole or in part, and all monies due or to become due under the Loan Agreement may be retained by the CRA/LA. The CRA/LA may also pursue any and all other remedies at law or in equity for any breach.

(4) Failure to comply with the EBP may be used as evidence against the Contractor in actions taken pursuant to the provisions of the CRA/LA's Contractor Responsibility Policy.

(5) If the Designated Administrative Agency (DAA) determines that the Contractor has set up or used its Contracting entity for the purpose of evading the intent of the EBP, the CRA/LA may terminate the Loan Agreement on behalf of the CRA/LA. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of CRA/LA's Contractor Responsibility Policy.

(C) Contractor Responsibility Policy

Unless otherwise exempt in accordance with the provisions of the CRA/LA's Policy, this Loan Agreement is subject to the provisions of the Contractor Responsibility Policy (CRP), which requires the Contractor to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect Contractor's fitness and ability to continue performing the Loan Agreement. In accordance with the provisions of this Policy, by signing this Loan Agreement, the Contractor pledges, under penalty of perjury, to comply with all applicable Federal, state and local laws in the performance of this Loan Agreement, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. The Contractor further agrees to:

(1) Notify the CRA/LA within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Contractor is not in compliance with all applicable Federal, state and local laws in performance of this Loan Agreement;

(2) Notify the CRA/LA within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the Contractor has violated the provisions of the CRP;

(3) Ensure that its subcontractor(s), as defined in the Policy, submit a Pledge of Compliance to awarding authorities; and

(4) Ensure that its subcontractor(s), as defined in the CRP, comply with the requirements of the Pledge of Compliance and the requirement to notify the CRA/LA within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated the CRP in performance of the subcontract.

The requirements for adherence to the above policies are outlined in Exhibit H attached hereto.

7.6 GENERAL INFORMATION

1. Developer shall provide to the CRA/LA such information and documentation as reasonably requested by the CRA/LA to enable CRA/LA to monitor compliance with this Article 7. Developer shall monitor and enforce the affirmative action and equal opportunity requirements imposed by this Loan Agreement to the extent permitted by law. In the event the Developer fails to lawfully monitor or lawfully enforce these requirements the CRA/LA may declare the Developer in default of this Loan Agreement and pursue any of the remedies available under this Loan Agreement.

2. As requested, the CRA/LA shall provide such technical assistance necessary to implement this Article 7.

ARTICLE 8. OPERATION OF DEVELOPMENT

8.1 OPERATION OF DEVELOPMENT. Developer and Developer's agents shall lease, operate and manage the Development in full conformance with the terms of the Agreement Containing Covenants and the Housing Management Requirements.

8.2 LEASING THE DEVELOPMENT. As a condition to disbursement of the Loan proceeds, Developer shall submit its proposed form of lease for the CRA/LA's review and approval.

8.2.1 JUST CAUSE EVICTIONS. Developer shall include the following provision in all tenant leases and rental agreements for the Development:

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

8.3 TENANT SELECTION. Before filling any vacancy after the Effective Date of this Agreement, Developer must have obtained CRA/LA's approval of Developer's written tenant selection plan prepared as required by Exhibit E.

8.3.1 PRIORITY FOR FORMER TENANTS. Except to the extent prohibited by law, Developer shall grant a priority in leasing available Assisted Units in the Development upon such terms and conditions as otherwise offered to the general public, to persons referred by CRA/LA pursuant to the Settlement Agreement ("**CRA/LA Referred Tenants**"). Developer agrees that no credit check fee will be charged for CRA/LA Referred Tenants. In addition, Developer agrees to not preclude acceptance of CRA/LA Referred Tenants solely on the basis of prior credit or criminal history without taking into account mitigating circumstances.

Developer need not accept any CRA/LA Referred Tenant if such individual does not qualify pursuant to restrictions imposed on Developer as a condition for obtaining financing for the Development. This includes, but is not limited to, applicable rules of the U.S. Department of Housing and Urban Development and other federal and state statutes and regulations or policies that apply to the Development.

8.4 INCOME CERTIFICATION. Developer must determine the income eligibility of each tenant household pursuant the CRA/LA's approved tenant certification procedures and submit satisfactory documentation to the CRA/LA for review and approval prior to the household's occupancy of one of the Assisted Units. Developer shall certify each tenant household's income on an annual basis.

8.5 AFFORDABILITY RESTRICTIONS. Subject to the last sentence of this Section 8.5, for the full term of the Agreement Containing Covenants:

(a) 187 studio units in the Development shall be rented at Qualifying Rents and occupied (or if vacant, available for occupancy) by Eligible Households who qualify as Very Low Income Households;

(b) an additional 59 studio units and four (4) one-bedroom units in the Development shall be rented at Qualifying Rents and occupied (or if vacant, available for occupancy) by Eligible Households who qualify as Low Income Households;

(c) an additional 187 studio units and 24 one-bedroom units in the Development shall be rented at Qualifying Rents and occupied (or if vacant, available for occupancy) by Eligible Households who qualify as Moderate Income Households; and

(d) Developer may set aside two (2) units in the Development for use as "Manager's Units," which units shall be occupied by persons (or households) employed as site managers of the Development. The "Manager's Units" are not subject to the income or rent limits set forth in this Agreement.

The following table depicts the required number of units by unit size and income level based upon the Housing and Community Development rental definition of Area Median Income.

Unit Type	HCD Very Low Income	HCD Low Income	HCD Moderate Income	TOTAL
Studio	187	59	187	**433**
1-Bdrm		4	24	**28**
TOTAL	**187**	**63**	**211**	**461**

Notwithstanding anything to the contrary set forth in this Agreement throughout the term of the Covenant Agreement tenant household income eligibility limits shall be set at the *lowest* of the income limits required by this Section 8.5, by Section 33 of the Bond Regulatory Agreement, or by the TCAC Agreement (as defined in Section 8.5.1), even if either or both of the Bond Regulatory Agreement and the TCAC Agreement are no longer in effect.

8.5.1 Additional Restrictions. Developer and CRA/LA acknowledge that for a term of fifty-five (55) years commencing on the Closing Date, pursuant to Section 33 of the

Bond Regulatory Agreement and a California Tax Credit Allocation Committee regulatory agreement (the "**TCAC Agreement**") that will be recorded against the Site and the Project, rents for the Assisted Units are subject to affordability requirements that are more restrictive than the requirements described in the preceding Section 8.5. The Bond Regulatory Agreement imposes and the TCAC Agreement will impose the following affordability restrictions, based upon the Median Income for the Area (as defined in the Bond Regulatory Agreement) and the Tax Credit Allocation Committee ("TCAC") determination of rent restrictions as annually published by TCAC.

Unit Type	TCAC 30%	TCAC 35%	TCAC 40%	TCAC 45%	TCAC 50%	TCAC 60%	TOTAL
Studio	30	100	57	34	25	187	**433**
1-Bdrm					4	24	**28**
2-Bdrm							
3-Bdrm							
TOTAL	**30**	**100**	**57**	**34**	**29**	**211**	**461**

8.6 MAXIMUM RENTAL CHARGES. The total monthly rent together with utilities (as calculated by the Housing Authority of the City of Los Angeles) and related services charged by Developer and paid by each Eligible Household shall not exceed the following:

(a) for units described in Section 8.5(a), one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Area Median Income Adjusted for Family Size Appropriate to the Unit;

(b) for units described in Section 8.5(b), one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of Area Median Income Adjusted for Family Size Appropriate to the Unit; and

(c) for units described in Section 8.5(c), one-twelfth (1/12) of thirty percent (30%) of one hundred and ten percent (110%) of Area Median Income, Adjusted for Family Size Appropriate to the Unit.

Notwithstanding anything to the contrary set forth in this Agreement, throughout the term of the Covenant Agreement, the maximum rent that may be charged for each Assisted Unit that is reserved for occupancy by households of a specified income level pursuant to Section 8.5, shall be the *lower of*: (i) the rent determined pursuant to the preceding paragraphs (a), (b) and (c) of this Section 8.6, and (ii) the rent determined pursuant to TCAC rules and regulations as applied to the affordability levels set forth in Section 8.5.1, even if either or both of the Bond Regulatory Agreement and the TCAC Agreement are no longer in effect.

In each case, the maximum allowable rent shall be reduced by a reasonable allowance for tenant-paid utilities as specified by the Housing Authority of the City of Los Angeles and by tenant-paid service charges.

Developer shall annually certify each tenant's gross household income and make any rent adjustment pursuant to the terms of the Agreement Containing Covenants. Notwithstanding anything to the contrary set forth herein, at no time shall the rents charged for Assisted Units be more than the maximum affordable rent defined in California Health and Safety Code Section 50053, as such may be amended from time to time.

8.6.1 RENT INCREASES. If rent increases are permitted pursuant to the Covenant Agreement and applicable laws and regulations, tenants shall be given at least thirty (30) days' written notice prior to the effective date of any rent increase.

The maximum allowable rent that may be charged by Developer and paid by a tenant for an Assisted Unit may change from time to time when there are changes in TCAC's published rental restrictions.

For tenants who occupied units in the Development at the time Owner acquired the Property as identified in Attachment 3 to the Covenant Agreement, allowable rent increases shall be calculated in the same manner as rent increases are calculated under the City of Los Angeles Rent Stabilization Ordinance Section 151.06, attached to the Covenant Agreement as Attachment 4. For all other units, permitted annual rent increases shall be calculated based on the increases permitted by TCAC for tax credit projects.

8.7 NONDISCRIMINATION. Developer covenants for itself and all persons claiming under or through Developer, and this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site or the Development or part thereof, nor shall Developer or any person claiming under or through Developer 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, of, or for the Site or the Development or part thereof. Developer shall otherwise comply with all applicable local, state and federal laws concerning discrimination in housing.

8.8 FORM OF NONDISCRIMINATION AND NONSEGREGATION CLAUSES. The Developer shall refrain from restricting the rental, sale or lease of the Site or the Development as provided in Section 8.7, above. All deeds, leases or contracts for the sale, lease, sublease or other transfer of the Site or the Development or part thereof entered into after the Effective Date shall contain or be subject to substantially the following nondiscrimination and nonsegregation clauses:

(a) In Deeds, the following language shall appear:

"(1) The grantee herein covenants by and for grantee and grantee's heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises 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, sublessees or vendees in the premises herein conveyed. The foregoing covenant shall run with the land.

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

(b) In Leases, the following language shall appear:

"(1) The lessee herein covenants by and for the lessee, and lessee's heirs, executors, administrators and assigns, and all persons claiming under or through the lessee, that this lease is made and accepted upon and 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 any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transfer, use, occupancy, tenure or enjoyment of the premises 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 premises herein leased.

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

(c) In Contracts, the following language shall appear:

"There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the 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 selection, location, number, use or occupancy of tenants, lessee, subtenants, sublessees or vendees of the land."

8.9 HIRING PROCEDURES FOR PERMANENT EMPLOYEES. In hiring permanent employees to be employed at the Development, if any, Developer shall comply with the Hiring Responsibilities of Permanent Employers on CRA Assisted Projects attached to this Loan Agreement as Exhibit I.

8.10 ENCUMBRANCE OF SITE. Except as otherwise provided in this Loan Agreement, Developer shall not engage in any financing or any other transaction creating any security interest or other encumbrance or lien upon the Site, whether by express agreement or

operation of law, or allow any encumbrance or lien to be made on or attached to the Site, except with the prior written consent of the CRA/LA. Developer shall notify the CRA/LA in writing in advance of any financing secured by any deed of trust, mortgage, or other similar lien instrument that it proposes to enter into with respect to the Development or Site, and of any encumbrance or lien that has been created on or attached to the Site whether by voluntary act of Developer or otherwise.

8.11 TRANSFER OF THE SITE. The qualifications and identity of Developer are of particular concern to the CRA/LA. Therefore, Developer covenants that it has not made or created, and agrees not to make or permit, any sale, assignment, conveyance, lease (other than the rental of Assisted Units and Management Units in accordance with the Agreement Containing Covenants and the lease of commercial portions of the Property to commercial tenants), or other transfer of this Loan Agreement, the Development, or the Site, or any part thereof, without the prior written consent of the CRA/LA; provided however, the transfer of limited partner interests and interests in the limited partners shall be permitted without CRA/LA's consent, and subject to CRA/LA's reasonable approval of a substitute general partner, the transfer of general partner interests shall be permitted if the general partner is removed for cause as provided in the Developer's partnership agreement. The CRA/LA may give its consent to a sale, transfer, or conveyance provided that all of the following conditions are met: (a) Developer is in compliance with the Loan Documents, or the sale, transfer, or conveyance will result in the cure of any existing violations of the Loan Documents; (b) the proposed transferee enters into a written assignment and assumption agreement, in a form and content reasonably satisfactory to CRA/LA's legal counsel, assuming all obligations of Developer imposed by the Agreement Containing Covenants and other Loan Documents, and, if requested by CRA/LA, provides an opinion of such transferee's counsel to the effect that this Agreement, the Agreement Containing Covenants and the other Loan Documents are valid, binding and enforceable obligations of such transferee, subject to bankruptcy and other standard limitations affecting creditor's rights; (c) the transferee demonstrates to the CRA/LA's satisfaction that it is capable of and intends to own and operate the Site in full compliance with the Agreement Containing Covenants and the other Loan Documents; (d) the transferee demonstrates one of the following: (i) the transferee or its property manager has at least three year's experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (ii) the transferee agrees to retain a property management firm with the experience and record described in subclause (i) above, or (iii) Developer or its management company will continue to manage the Development for at least one year following such transfer and during such period will provide training to the transferee and its manager in the responsibilities relating to the affordable units; (e) the transferee does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the rehabilitation, maintenance, upkeep, operation and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; and (f) the terms of the sale, transfer, or conveyance shall not jeopardize the CRA/LA's security interest in the Site and is in full compliance with all standards, including eligibility requirements and other conditions imposed by any funding sources for the Development and the Loan.

ARTICLE 9. INDEMNITY AND INSURANCE

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

Developer shall pay immediately upon the Indemnitees' demand any amounts owing under this indemnity. The duty of Developer to indemnify includes the duty to defend the Indemnitees or, at the Indemnitees' choosing, to pay the Indemnitees' costs of its defense in any court action, administrative action, or other proceeding brought by any third party arising from the Development, the Site, or the operation of the Development or the Improvements. The Indemnitees may make all reasonable decisions with respect to their representation in any legal proceeding, including, but not limited to, the selection of attorney(s). Developer's obligations set forth in this Section 9.1 shall survive the repayment of the Loan and the reconveyance of the Deed of Trust and Notice of Affordability Restrictions. Developer's indemnification obligations set forth in this Section 9.1 shall not apply to Claims arising from the active gross negligence or willful misconduct of the Indemnitees or to Claims that have been released pursuant to the Settlement Agreement.

9.2 INSURANCE COVERAGE. Developer shall furnish or cause to be furnished to the CRA/LA duplicate originals or certified copies of the insurance policies, complete with additional insured and loss payee endorsements, as applicable, pursuant to this Loan Agreement. Developer shall throughout the term of this Loan Agreement (as set forth in Section 12.7), maintain and keep in full force and effect the following policies of insurance, issued by companies approved and regulated by the State Department of Insurance including:

(1) General liability insurance, to protect against Claims due to bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Site and the Improvements, or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of the CRA/LA or Developer or any person acting for the CRA/LA or Developer, or under their respective control or direction, and also to protect against Claims due to damage to any property of any person occurring on or about the Site and the Improvements, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of the CRA/LA or Developer or its tenants or any person acting for the CRA/LA or Developer, or under their respective control or direction. Such property damage and bodily injury insurance shall also provide for and protect the CRA/LA against incurring any legal cost in defending claims for alleged loss. Such bodily injury and property damage insurance shall name the Indemnitees as additional insureds. Such bodily

injury and property damage insurance shall be in minimum limits of One Million Dollars ($1,000,000) per occurrence with a Five Million Dollars ($5,000,000) aggregate; provided, however, the limitation on the amount of insurance shall not limit the responsibility of the Developer to indemnify the Indemnitees or to pay damages for injury to persons or property resulting from Developer's activities or the activities of any other person or persons for which Developer is otherwise responsible.

(2) Property insurance in an amount not less than the full insurable value of the Improvements with extended coverage including fire, windstorm, flood, vandalism, malicious mischief, earthquake (if commercially available at reasonable rates or as otherwise required), boiler and machinery if applicable, and other such perils customarily covered by an "All Risk" policy. Such policy shall include a loss payable endorsement naming the CRA/LA as loss payee. The term "full insurable value" as used above shall mean the actual replacement cost (excluding the cost of excavation, foundation and footings below the lowest floor and without deduction for depreciation) of the Improvements immediately before such casualty or other loss, including the cost of rehabilitation of the Improvements, architectural and engineering fees, and inspection and supervision. To ascertain the amount of coverage required, Developer shall cause the full insurable value to be determined from time to time by appraisal, by agreement between the CRA/LA and Developer, or by an appraiser mutually acceptable to the CRA/LA and Developer, not less often than once every three years.

(3) Maintain or cause to be maintained loss of rental income insurance covering against the perils of fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such other perils ordinarily included in extended coverage policies. This requirement does not apply prior to the Conversion Date.

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

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

(6) Automobile insurance coverage in minimum limits of not less than $1,000,000 shall be required by developer and/or developer's contractors and sub-contractors hired to perform work on the Site for owned, hired, leased, and non-owned autos and shall be received by the CRA/LA prior to the commencement of any work being performed on Site.

(7) All required insurance policies shall not be subject to cancellation, reduction in coverage, or non-renewal except after notice in writing shall have been sent by registered mail addressed to the CRA/LA not less than thirty (30) days prior to the effective date thereof (ten days for nonpayment of premiums). All policies where applicable must name The Community Redevelopment Agency of the City of Los Angeles, California and the City of Los Angeles as

additional insureds or loss payee, as applicable. The insurance policies or endorsements shall also contain a waiver of subrogation for the benefit of the CRA/LA and City of Los Angeles. The insurance coverage provided pursuant to this Article 9 shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by the Indemnitees, and the policies shall so provide. Any insurance or self-insurance maintained by the Indemnitees shall be excess of Developer's insurance and indemnity obligations set forth herein and shall be non-contributing.

(8) All insurance provided under this Article 9 shall be for the benefit of Developer, the CRA/LA and City. Developer agrees to timely pay all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance.

(9) Developer shall submit proof of insurance and applicable endorsements as required by this Section to the CRA/LA prior to disbursement of any portion of the Loan. At least thirty (30) days prior to expiration of any such policy, copies of renewal policies shall be submitted to the CRA/LA.

(10) All insurance herein provided for in this Loan Agreement shall be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of California reasonably approved by the CRA/LA.

(11) If Developer fails or refuses to procure or maintain insurance as required by this Loan Agreement, the CRA/LA shall have the right, at the CRA/LA's election, and upon ten (10) days prior notice to Developer and all mortgagees entitled to notice, to procure and maintain such insurance. The premiums paid by the CRA/LA shall be added to the amount of the Loan.

(12) Subject to the provisions of any other construction lender's and permanent lender's loan documents, all proceeds of insurance with respect to loss or damage to the Improvements during the term of the Loan shall be payable, under the provisions of the policy of insurance, jointly to Developer and the CRA/LA, and said proceeds shall constitute a trust fund to be used for the restoration, repair or rebuilding of the Improvements in accordance with plans and specifications approved in writing by the CRA/LA. To the extent that such proceeds exceed the cost of such restoration, repair or rebuilding, such proceeds shall be applied to repay the Loan. During any period when a permanent loan is outstanding, such proceeds shall be divided between the permanent lender and the CRA/LA in proportion to the balance of their respective loans. In the event of any fire or other casualty to the Development or eminent domain proceedings resulting in condemnation of the Development or any part thereof, the Developer shall have the right to rebuild the Development, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Development in a manner that provides adequate security to CRA/LA for repayment of the Loan or if such proceeds are insufficient then the Developer shall have funded any deficiency, (b) the CRA/LA shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under the Loan documents. If the casualty or condemnation affects only part of the Development and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to the CRA/LA for repayment of the remaining balance of the Loan.

(13) The CRA/LA reserves the right at any time during the term of this Loan Agreement to change the amounts and types of insurance required hereunder by giving the

Developer ninety (90) days written, advance notice of such change. If such change(s) should result in substantial additional cost to the Developer, the CRA/LA agrees to negotiate additional compensation proportional to the increased benefit to the CRA/LA and City of Los Angeles.

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

9.4 NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS. No CRA/LA official, employee or agent shall be personally liable to Developer for any obligation created under the terms of this Agreement and the Loan Documents except in the case of actual fraud or willful misconduct by such person.

ARTICLE 10. HAZARDOUS MATERIALS

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

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

10.3 USE AND OPERATION OF SITE. Neither Developer, nor any agent, employee, or contractor of Developer, nor any authorized user of the Site shall use the Site or allow the Site to be used for the generation, manufacture, storage, disposal, or release of Hazardous Materials. Developer shall comply and cause the Development to comply with Hazardous Materials Laws.

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

10.5 ENVIRONMENTAL INDEMNITY. Developer shall defend (with counsel approved by CRA/LA), indemnify, and hold the Indemnitees harmless from and against any and all Claims, administrative actions, and response costs, that the Indemnitees may directly or indirectly sustain or suffer as a consequence of any inaccuracy or breach of any representation, warranty, agreement, or covenant contained in this Loan Agreement with respect to Hazardous Materials, or as a consequence of any use, generation, manufacture, storage, release, or disposal (whether or not Developer knew of same) of any Hazardous Materials occurring prior to or during Developer's use or occupancy of the Site. The provisions of this Section 10.5 shall survive the term of this Agreement. It is further agreed that the Indemnitees do not and shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by CRA/LA, or Developer's deposit with CRA/LA of any of the insurance policies required pursuant to this Agreement.

ARTICLE 11. DEFAULT AND REMEDIES

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

A. Monetary. (1) Developer's failure to pay when due any sums payable under the Note or any advances made by the CRA/LA under the Deed of Trust or this Loan Agreement; (2) Developer's use of Loan funds for purposes other than as permitted by this Loan Agreement or for uses inconsistent with other terms and restrictions in the Loan Documents; (3) Developer's failure to make any other payment or assessment due under the Loan Documents;

B. Operation. (1) Discrimination by Developer on the basis of characteristics prohibited by this Loan Agreement or applicable law; (2) the imposition of any encumbrances or liens on the Site without the CRA/LA's prior written approval that are prohibited under this Loan Agreement or that have the effect of reducing the priority of or invalidating the Deed of Trust; (3) Developer's failure to remedy any deficiencies in recordkeeping or failure to provide records to the CRA/LA required under the Loan Documents upon the CRA/LA's request; (4) Developer's failure to maintain insurance coverage as provided in Article 9; (5) any material adverse change in the condition of Developer or the Development or permanent financing or funding for the Development that gives the CRA/LA reasonable cause to believe that the Development cannot be operated according the terms of the Loan Documents or the Agreement Containing Covenants; (6) failure to operate in accordance with the Agreement Containing Covenants; and

(7) failure to submit any documents in compliance with the Housing Management Requirements;

C. General performance of Loan obligations. Any substantial or continuous breach by Developer of any material obligations of Developer imposed in the Loan Documents;

D. General performance of other obligations. Any substantial or continuous breach by Developer of any material obligations of Developer imposed by any other agreements with respect to the financing, development, or operation of the Development or the Site, whether or not the CRA/LA is a party to such agreement and the continuation of such breach beyond the expiration of all applicable cure periods;

E. Representations and warranties. A determination by the CRA/LA that any of Developer's representations or warranties made in the Loan Documents, any statements made to the CRA/LA by Developer, or any certificates, documents, or schedules supplied to the CRA/LA by Developer were untrue in any material respect when made, or that Developer concealed or failed to disclose a material fact from the CRA/LA;

F. Damage to Site. Material damage or destruction to the Site by fire or other casualty, if Developer does not take steps to reconstruct the Site as required by the Loan Documents;

G. Bankruptcy, dissolution, and insolvency. Developer or any general partner of Developer (other than the nonprofit Managing General Partner if such general partner is replaced within a reasonable time in compliance with Section 8.11 hereof), or any corporation controlling Developer: (1) files for bankruptcy, dissolution, or reorganization, or fails to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or 60 days after the filing; (2) makes a general assignment for the benefit of creditors; (3) applies for the appointment of a receiver, trustee, custodian, or liquidator, or failure to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or 60 days after the filing; (4) becomes insolvent; (5) fails, is unable to, or admits in writing its inability to pay its debts as they become due; or

H. Records. Developer's failure to maintain accurate financial records and records pertaining to tenant applications and occupancy in accordance with Sections 3.10 and 6.1.

I. Failure to Complete Assisted Units. Developer fails to place in service all Assisted Units by not later than June 1, 2009.

J. Failure to Complete Common Areas. Developer fails to complete the rehabilitation of all common areas in the Development, including without limitation, the lobby, by October 1, 2009.

K. Failure to Convert to Permanent Loan. Developer fails to convert the construction financing for the Development to a permanent loan by not later than October 1, 2009.

11.2 NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. For Events of Default pursuant to Section 11.1 above, the CRA/LA shall give written notice to Developer of any Event of Default by specifying: (a) the nature of the event or deficiency giving rise to the Default, (b) the action required to cure the deficiency, if an action to cure is possible, and (c) a date, which

shall not be less than thirty (30) calendar days from the date of receipt of the notice or the date the notice was refused, by which such action to cure must be taken.

11.3 CRA/LA'S REMEDIES. Upon the occurrence of an Event of Default by Developer and a failure to cure said Event of Default within the time specified in the notice of Event of Default (if a notice is required), the CRA/LA's obligation to disburse Loan proceeds shall terminate, and the CRA/LA may also, in addition to other rights and remedies permitted by the Loan Documents or applicable law, proceed with any or all of the following remedies in any order or combination the CRA/LA may choose in its sole discretion:

A. Terminate this Loan Agreement, in which event the entire principal amount outstanding and all accrued interest under the Note, as well as any other monies advanced to Developer by the CRA/LA under the Loan Documents including administrative costs, shall immediately become due and payable at the option of the CRA/LA;

B. Bring an action in equitable relief (1) seeking the specific performance of the terms and conditions of the Loan Documents, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief;

C. Accelerate the Loan, and demand immediate full payment of the principal amount outstanding and all accrued interest under the Note, as well as any other monies advanced to Developer by the CRA/LA under the Loan Documents;

D. Seek appointment from a court of competent jurisdiction of a receiver with the authority to preserve the CRA/LA's interest in the operation of the Development in compliance with this Agreement and the Agreement Containing Covenants;

E. Disburse from Loan proceeds any amount necessary to cure any Monetary Default;

F. Enter upon, take possession of, and manage the Site, either in person, by agent, or by a receiver appointed by a court, and collect rents and other amounts specified in the assignment of rents in the Deed of Trust and apply them to operate the Site or to pay off the Loan or any advances made under the Loan Documents, as provided for by the Deed of Trust;

G. With respect to obligations set forth in the Loan Documents, initiate and pursue any private and/or judicial foreclosure action allowed under applicable law and the power of sale provision in the Deed of Trust;

H. With respect to obligations set forth in the Agreement Containing Covenants, which is attached to the Loan Agreement as Exhibit E, initiate and pursue any action allowed under applicable law.

I. With respect to defaults under Hazardous Materials provisions herein, pursue the rights and remedies permitted under California Civil Code Section 2929.5, and California Code of Civil Procedure Sections 564, 726.5, and 736;

J. With respect to defaults by Developer under another loan obligation, advance funds to cure such default on behalf of Developer, with any amount so advanced by CRA/LA, together with interest thereon from the date of such advance at the maximum rate specified in the Note, becoming an additional obligation of Developer to CRA/LA secured by the Deed of Trust; or

K. Pursue any other remedy allowed at law or in equity.

Nothing in this section is intended or shall be construed as precluding the CRA/LA from proceeding with a non-judicial foreclosure under the power of sale contained in the Deed of Trust in the Event of Default by Developer. CRA/LA's delay or failure to pursue any remedy above does not constitute a waiver of the right to pursue that remedy.

ARTICLE 12. GENERAL PROVISIONS

12.1 ADDITIONAL TERMS AND CONDITIONS. The CRA/LA's "Standard Terms and Conditions (Rev. 6/07)" are attached hereto as Exhibit G and incorporated herein by this reference to the extent that the provisions therein do not conflict with those provided in this Loan Agreement and are applicable and enforceable. For purposes of applying the Standard Terms and Conditions to this Loan Agreement, the terms "Contractor" and "Agreement", as used in the Standard Terms and Conditions, shall mean the same as the terms "Developer" and "Loan Agreement", respectively, as defined herein.

12.2 DEVELOPER'S WARRANTIES. Developer represents and warrants (1) that it is financially capable and has access to professional advice and support to the extent necessary to enable Developer to fully comply with the terms of these Loan Documents and the Agreement Containing Covenants, and to otherwise carry out the Development, (2) that it is duly organized, validly existing and in good standing under the laws of the State of California, (3) that it has the full power and authority to undertake the Development and to execute the Loan Documents, and (4) that the persons executing and delivering the Loan Documents are authorized to execute and deliver such documents on behalf of Developer.

12.3 MONITORING AND EVALUATION. Except as otherwise provided for in this Loan Agreement, Developer shall maintain and submit records to the CRA/LA within ten business days of the CRA/LA's request which clearly document Developer's performance under each requirement of the Loan Documents.

12.4 CONFLICTS OF INTEREST. No member, official or employee of the CRA/LA shall have any personal interest, direct or indirect, in this Loan Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested.

12.5 POLITICAL ACTIVITY. None of the funds, materials, property or services contributed by the CRA/LA or Developer under this Loan Agreement shall be used for any partisan political activity or the election or defeat of any candidate for public office.

12.6 PUBLICITY. Any publicity generated by Developer for the Development during the term of the Loan and for one year thereafter shall make reference to the contribution of the CRA/LA in making the Development possible. The words "The Community Redevelopment Agency of the City of Los Angeles" will be prominently displayed in any and all pieces of publicity, including but not limited to flyers, press releases, posters, signs, brochures, public service announcements, interviews, and newspaper articles. Developer further agrees to cooperate with authorized staff and officials of the CRA/LA in any CRA/LA-generated publicity or promotional activities undertaken with respect to the Development.

12.7 TERM OF THIS AGREEMENT. This Loan Agreement shall commence on the Effective Date and shall remain in full force and effect until the later of the date the Loan is paid in full or the expiration of the term of the Agreement Containing Covenants.

12.8 GOVERNING LAW. The Loan Documents shall be interpreted under and be governed by the laws of the State of California without regard to choice of law provisions, except for any provisions preempted by federal law.

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

12.10 TIME. Time is of the essence in these Loan Documents.

12.11 UNAVOIDABLE DELAY IN PERFORMANCE. The time for performance of provisions of this Loan Agreement by either party shall be extended for a period equal to the period of any delay directly affecting the Development or this Loan Agreement which is beyond the reasonable control of either party and is caused by: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of a public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; suits filed by third parties concerning or arising out of this Loan Agreement; or unseasonable weather conditions. Any financial inability to perform on the part of the Developer shall not constitute an unavoidable delay for the purpose of this section, and no extension shall be available therefor. An extension of time for any of the above-specified causes will be deemed granted only if written notice by the party claiming such extension is sent to the other party within twenty (20) calendar days from the commencement of the delay, and such extension of time is either accepted by the other party in writing, or is not rejected in writing by the other party within ten (10) calendar days of receipt of the notice. Times of performance under this Loan Agreement may also be extended for any cause for any period of time by the mutual written agreement of the CRA/LA and Developer.

12.12 CONSENTS AND APPROVALS. Any consent or approval of the CRA/LA or Developer required under the Loan Documents shall not be unreasonably withheld. Any approval required under the Loan Documents shall be in writing and executed by an authorized representative of the party granting the approval. Nothing contained in the Loan Documents shall constitute consent by the City with respect to any of its discretionary actions.

Whenever this Loan Agreement calls for CRA/LA approval, consent or waiver, the written approval, consent or waiver of the CRA/LA Chief Executive Officer shall constitute the approval, consent or waiver of the CRA/LA, without further authorization required from the CRA/LA Board. The CRA/LA hereby authorizes the CRA/LA's Chief Executive Officer to deliver such approvals or consents as are required by this Loan Agreement, or to waive requirements under this Loan Agreement, on behalf of the CRA/LA. However, any amendment or modification to this Loan Agreement will require approval by the CRA/LA Board and City Council.

12.13 NOTICES, DEMANDS AND COMMUNICATIONS. Unless otherwise specified, all notices, requests, demands, directions, and other communications provided for hereunder and under any other Loan Documents (a "Notice") must be in writing and must be mailed, delivered, or sent by facsimile transmission to the appropriate party at its respective address set forth below or, as to any party, at any other address as may be designated by it in a written notice sent to the other parties in accordance with this Section 12.13. Any notice given by facsimile transmission must be confirmed within three (3) Business Days by letter mailed or

delivered to the appropriate party at its respective address. If any notice is given by mail it will be effective three (3) Business Days after being deposited in the mails with first-class or airmail postage prepaid; if given by facsimile transmission, when sent; or if given by personal delivery, when delivered.

Agency:	Chief Executive Officer Community Redevelopment Agency of the City of Los Angeles 354 South Spring Street, Suite 300 Los Angeles, CA 90013 Attn: Business Operations/Asset Management
with a copy to:	Regional Administrator, Downtown and General Counsel
Developer:	c/o The Amerland Group, LLC P.O. Box 880367 San Diego CA 92168 Attn: Ruben Islas Phone No.: (619) 260-5562 Fax No.: (619) 260-5563
And to:	c/o The Buxbaum Group 28720 Canwood St., Suite 108 Agoura Hills, CA 91301 Attn: Paul Buxbaum Phone No.: (818) 878-3900 Fax No.: (818) 878-3911
And to:	c/o Pacific Housing, Inc. 1801 L Street, Suite 245 Sacramento, CA 95814 Attn: Mark Wiese Phone No.: (916) 638-5200 Fax No.: (916) 325-1204
with a copy to:	Cox, Castle & Nicholson LLP 555 California Street, Tenth Floor San Francisco, CA 94104-1513 Attn: Stephen C. Ryan, Esq. Phone No.: (415) 392-4200 Fax No.: (415) 392-4250
And to:	The Buxbaum Group 28720 Canwood St., Suite 108 Agoura Hills, CA 91301 Attn: Scott Rusczyk Phone No.: (818) 878-3900 Fax No.: (818) 878-3911

And to: CTWC-Alexandria Housing LLC
c/o Column Capital
7650 Courtney Campbell Causeway, Suite 875
Tampa, FL 33607
Attn: William J. Tomashewski
Phone: 813-207-2131
Fax: 813-207-2121

And to: Nixon Peabody LLP
401 9th Street, N.W., Suite 900
Washington, D.C., 20004-2128
Attn: Gary A. Band, Esq

12.14 BINDING UPON SUCCESSORS. All provisions of the Loan Documents shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of each of the parties; provided, however, that this section does not waive the prohibition on assignment of this Loan Agreement by Developer without the CRA/LA's consent.

12.15 RELATIONSHIP OF PARTIES. The relationship of Developer and the CRA/LA for this Development under this Loan Agreement is and at all times shall remain solely that of a debtor and a creditor, and shall not be construed as a joint venture, equity venture, partnership, or any other relationship. The CRA/LA neither undertakes nor assumes any responsibility or duty to Developer (except as provided for herein) or any third party with respect to the Development, the Site, or the Loan.

12.16 ASSIGNMENT AND ASSUMPTION. Developer shall not assign any of its interests under this Loan Agreement or the Loan Documents to any other party, except as specifically permitted under the terms of the Loan Documents, without the prior written consent of the CRA/LA. Any unauthorized assignment shall be void.

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

12.18 INTEGRATION. This Loan Agreement together with the other Loan Documents, including the exhibits thereto, the Settlement Agreement, and the documents executed in connection with the Mortgage Loan contains the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations with respect thereto, including the CRA/LA Commitment Letter dated August 10, 2006.

12.19 OTHER AGREEMENTS. Developer represents that it has not entered into any agreements that are inconsistent with the terms of the Loan Documents. Developer shall not enter into any agreements that are inconsistent with the terms of the Loan Documents without an express waiver by the CRA/LA in writing.

12.20 AMENDMENTS AND MODIFICATIONS. Any amendments or modifications to the Loan Documents must be in writing, and shall be made only if executed by both Developer and the CRA/LA.

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

12.22 COUNTERPARTS. The Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

12.23 USE OF IMAGES. Developer hereby consents to and approves the use by CRA/LA of images of the Development, its models, plans and other graphical representations of the Development and its various elements in connection with websites, presentations, and other uses required by any of such authorities or agencies in connection with the Development. Such right to use the Development images shall not be assignable by the CRA/LA to any other party (including, without limitation, any private party without the prior written consent of Developer). Developer shall obtain any rights and/or consents from any third parties necessary to provide these rights to the CRA/LA.

12.24 LIMITED RECOURSE. The Loan is a limited recourse obligation of Developer. CRA/LA's recovery against Developer and principals with respect to the Loan shall be limited solely to the Security (as defined in the Deed of Trust), except that Developer may be personally liable to CRA/LA for any losses or damages incurred in connection with the following matters: (a) fraud or willful misrepresentation; (b) material physical waste of the Site or the improvements located thereon; (c) failure to pay property or other taxes, assessments or charges, which may create liens senior to the lien of the Deed of Trust on all or any portion of the Site; (d) any material representation or warranty of Developer in the Loan Documents proving to have been materially untrue when made; (e) failure to deliver any insurance or condemnation proceeds received by Developer to CRA/LA or to otherwise apply such sums as required under the Deed of Trust; (f) failure to apply any rents, royalties, accounts, revenues, income, issues, profits and other benefits ("Project Income") from the Site which are collected or received by Developer during the period of any default to the payment of either (i) indebtedness secured by the Site or the improvements located thereon, or (ii) the normal and necessary operating and maintenance expenses of the Site; (g) any breach by Developer of any covenant in the Deed of Trust or this Loan Agreement regarding Hazardous Materials; and (h) any failure to maintain insurance as required pursuant to the Loan Documents.

[*signature pages follow*]

IN WITNESS WHEREOF, the parties hereby have executed this Loan Agreement as of the date first above written.

AGENCY:

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA

By: _____
Cecilia V. Estolano

Its: Chief Executive Officer

APPROVED AS TO FORM:
ROCKARD J. DELGADILLO, CITY ATTORNEY

_____
By: CRA/LA General Counsel

SIGNATURES CONTINUE ON FOLLOWING PAGES

DEVELOPER:

ALEXANDRIA HOUSING PARTNERS, L. P.
a California limited partnership

By: Pacific Housing, Inc.,
a California nonprofit public benefit corporation,
its Managing General Partner

By:_____
Mark A. Wiese,
President

By: Amerland/Alexandria Partners, LLC,
a California limited liability company,
its Co-General Partner

By: Alexandria Partners, LLC,
a California limited liability company,
its Manager

By: The Amerland Group, LLC,
a California limited liability company,
its Managing Member

By: Islas Development, LLC,
a California limited liability company,
its Manager

By:_____
Ruben Islas,
Sole Member

1174247.9

DEVELOPER:

ALEXANDRIA HOUSING PARTNERS, L. P.
a California limited partnership

By: Pacific Housing, Inc.,
a California nonprofit public benefit corporation,
its Managing General Partner

By:_____
Mark A. Wiese,
President

By: Amerland/Alexandria Partners, LLC,
a California limited liability company,
its Co-General Partner

By: Alexandria Partners, LLC,
a California limited liability company,
its Manager

By: The Amerland Group, LLC,
a California limited liability company,
its Managing Member

By: Islas Development, LLC,
a California limited liability company,
its Manager

By:_____
Ruben Islas,
Sole Member

1174247.9

EXHIBIT A

LEGAL DESCRIPTION

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

THAT PORTION OF BLOCK 13 OF ORD'S SURVEY, AS PER MAP RECORDED IN BOOK 53 PAGES 66 ET SEQ., OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND THAT PORTION OF LOT "A". AS SHOWN ON THE MAP OF A SURVEY MADE IN JULY 1904, BY B.J. ROWAN, OF A PORTION OF SAID BLOCK 13, RECORDED IN BOOK 2145 PAGE 54 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHWESTERLY FACE OF THE SOUTHWESTERLY WALL OF A 12-STORY BRICK BUILDING, WITH THE NORTHWESTERLY LINE OF SPRING STREET, 80 FEET WIDE, AT A POINT DISTANT SOUTH 37 DEGREES 50' 00" WEST ALONG SAID NORTHWESTERLY LINE 216.50 FEET FROM THE INTERSECTION THEREOF WITH THE SOUTHWESTERLY LINE OF FIFTH STREET, 60 FEET WIDE; THENCE ALONG SAID SOUTHWESTERLY FACE AND SAID SOUTHWESTERLY WALL, NORTH 52 DEGREES 28' 00" WEST 159.12 FEET TO THE SOUTHEASTERLY LINE OF THE ALLEY AS ESTABLISHED BY DECREE ENTERED IN CASE NO. 58441 OF THE SUPERIOR COURT IN AND FOR SAID COUNTY; THENCE ALONG SAID SOUTHEASTERLY LINE AND THE SOUTHEASTERLY LINE OF THE ALLEY, AS SHOWN ON MAP OF A SUBDIVISION OF A PORTION OF SAID BLOCK 13, RECORDED IN BOOK 5, PAGE 155 OF MISCELLANEOUS RECORDS OF SAID COUNTY, NORTH 37 DEGREES 49' 25" EAST 96.00 FEET TO THE MOST WESTERLY CORNER OF SAID LOT "A"; THENCE NORTH 17 DEGREES 41'00" EAST ALONG THE WESTERLY LINE OF SAID LOT "A", 21.19 FEET TO THE SOUTHWESTERLY LINE OF LOT "B" OF SAID B.J. ROWAN MAP; THENCE ALONG SAID SOUTHWESTERLY LINE AND THE PROLONGATION THEREOF, SOUTH 52 DEGREES 36' 50" EAST 5.78 FEET TO THE CENTERLINE OF A PARTY WALL AS DESCRIBED IN A PARTY WALL AGREEMENT RECORDED APRIL 28, 1905 IN BOOK 2270 PAGE 210 OF DEEDS, RECORDS OF SAID COUNTY; THENCE ALONG THE CENTERLINE OF SAID PARTY WALL, NORTH 37 DEGREES 50' 00" EAST 100.83 FEET TO THE SOUTHWESTERLY LINE OF FIFTH STREET, 60 FEET WIDE, THENCE ALONG SAID SOUTHWESTERLY LINE, SOUTH 52, DEGREES 21' 40" EAST 160.64 FEET TO THE NORTHWESTERLY LINE OF SAID SPRING STREET HEREINBEFORE MENTIONED; THENCE SOUTH 37 DEGREES 50' 00" WEST ALONG SAID NORTHWESTERLY LINE TO THE MOST SOUTHERLY CORNER OF SAID LOT "A"; THENCE SOUTH 37 DEGREES 50' 00" WEST ALONG THE SOUTHEASTERLY LINE OF SAID BLOCK 13 TO THE POINT OF BEGINNING.

APN: 5149-034-005 and 5149-034-006

EXHIBIT C
TO LOAN AGREEMENT

(FORM OF PROMISSORY NOTE)

PROMISSORY NOTE SECURED BY DEED OF TRUST

Loan # 872550A

$11,900,000.00 _____, 2009

FOR VALUE RECEIVED, Alexandria Housing Partners, L. P., a California limited partnership ("Borrower"), hereby promises to pay to the order of The Community Redevelopment Agency City of Los Angeles, California, a public body, corporate and politic, whose address is 354 S. Spring Street, Suite 800, Los Angeles, CA 90013 ("Lender"), the sum of ELEVEN MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS ($11,900,000.00), or so much thereof as may be advanced by Lender to or on behalf of Borrower, together with interest accrued thereon as set forth below.

1. **BORROWER'S OBLIGATION.** This Promissory Note (this "Note") evidences the obligation of Borrower to repay funds loaned to Borrower by Lender (the "Loan") pursuant to that certain Permanent Loan Agreement dated as of _____, 20__ and executed by and between Borrower and Lender (the "Loan Agreement"). The purpose of the Loan is to allow for the CRA/LA-requested deeper affordability of the residential real property (the "Site") described in the Loan Agreement. This Note is secured by that certain deed of trust dated _____, 2009 and executed by Borrower for Lender's benefit (the "Deed of Trust"). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement.

2. **INTEREST.** The Loan shall bear simple interest at a rate of three percent (3%) per annum from the date of disbursement of Loan funds, except as otherwise provided herein. At all times when Borrower is in default hereunder by reason of Borrower's failure to pay principal or interest due under this Note or any amounts due under the Loan Documents, the interest rate on the sums as to which Borrower is in default shall be the lower of the highest rate then allowed by law or five percent (5%) over the prime interest rate announced by Wells Fargo Bank, N.A., as of the date of the default.

3. **TERM, AMOUNT AND TIME OF PAYMENT.** Unless sooner due pursuant to this Note or the Loan Agreement, the outstanding principal balance of the Loan and all accrued interest thereon shall be due and payable on the date (the "Maturity Date") which is the earliest of (a) _____, 2064, which is the fifty-fifth (55th) anniversary of the date of this Note, (b) the date any portion of the Site is sold or refinanced without the Lender's approval, or (c) the occurrence of an Event of Default by Borrower which remains uncured beyond the expiration of any applicable cure period. On or before April 1st of every calendar year starting the calendar year after Conversion and continuing through the Maturity Date or until the Loan is paid in full, whichever comes first (each a "Payment Date"), the Borrower shall submit to the CRA/LA its Annual Financial Statement for the preceding year (but for the first year of the term hereof a partial year commencing on the Conversion Date, and for the last year of the term a partial year ending on the Maturity Date), prepared at the Borrower's expense by an independent certified public accountant reasonably acceptable to the CRA/LA, and shall pay to

the CRA/LA twenty-five percent (25%) of the Residual Receipts. Residual Receipts shall be determined on the basis of the Annual Financial Statement. The CRA/LA shall review and approve such statement, or request revisions, within 30 days after receipt. In the event that the CRA/LA determines as the result of its review that there is an understatement in the amount of Residual Receipts, Borrower shall promptly review with CRA/LA its determination of such understatement and shall promptly pay to the CRA/LA the CRA/LA's share of such understatement that is not in dispute, but in any event within ten (10) days of notice of such understatement. In the event that Borrower disputes CRA/LA's determination of an understatement, or any portion of such understatement, the parties shall submit such dispute to a third-party independent certified public accountant who shall review CRA/LA's determination of such underpayment and shall make a final determination of the Residual Receipts.

The remaining seventy-five percent (75%) of the Residual Receipts shall be paid to the Borrower. Upon satisfaction of all payment obligations set forth in the Loan Documents, the CRA/LA shall have no further right to payment of any portion of Residual Receipts. If Residual Receipts (as they may be available from time to time) are not sufficient to pay in full the outstanding principal balance of the Loan and all interest accrued thereon by the Maturity Date, then the entire unpaid balance of the Loan (principal and interest) shall be due and payable on the Maturity Date in one lump sum payment.

4. **PLACE AND MANNER OF PAYMENT.** All amounts due and payable under this Note and the Loan Agreement are payable at the office of Lender as set forth above, or at such other place as Lender may designate to Borrower in writing from time to time, in lawful currency of the United States which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts.

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

6. **PREPAYMENT OF LOAN.** No prepayment penalty will be charged to Borrower for payment of all or any portion of this Note prior to the Maturity Date.

7. **WAIVERS.** To the maximum extent permitted by applicable law Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this Note, in whole or in part, whether before or after maturity and with or without notice.

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

9. **LIMITED RECOURSE.** Lender's recovery against Borrower and any of its partners under this Note shall be limited solely to the Security (as defined in the Deed of Trust), except that Borrower may be personally liable to Lender for any losses or damages incurred in connection with the following matters: (a) fraud or willful misrepresentation; (b) material physical waste of the Site or the improvements located thereon; (c) failure to pay property or other taxes, assessments or charges, which may create liens senior to the lien of the Deed of Trust on all or any portion of the Site; (d) any material representation or warranty of Borrower in the Loan Documents proving to have been materially untrue when made; (e) failure to deliver any insurance or condemnation proceeds received by Borrower to Lender or to otherwise apply such sums as required under the Deed of Trust; (f) failure to apply any rents, royalties, accounts, revenues, income, issues, profits and other benefits ("Project Income") from the Site which are collected or received by Borrower during the period of any default to the payment of either (i) indebtedness secured by the Site or the improvements located thereon, or (ii) the normal and necessary operating and maintenance expenses of the Site; (g) any breach by Borrower of any covenant in the Deed of Trust or the Loan Agreement regarding Hazardous Materials; and (h) any failure to maintain insurance as required pursuant to the Loan Documents.

10. **CONSENTS AND APPROVALS.** Any consent or approval of Lender required under the Note shall not be unreasonably withheld.

11. **NOTICES.** Except as may be otherwise specifically provided herein, any approval, notice, direction, consent request or other action by Lender shall be in writing and may be communicated to Borrower as set forth in the Loan Agreement, or at such other place or places as Borrower shall designate in writing, from time to time, for the receipt of communications from Lender.

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

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

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

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

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

17. **SEVERABILITY.** Every provision of the Note is intended to be severable. If any provision of the Note shall be held invalid, illegal, or unenforceable by a court of competent

jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

18. **TIME.** Time is of the essence in the Note.

19. **WAIVER.** Any waiver by Lender of any obligation in the Note must be in writing. No waiver shall be implied from any failure of Borrower to take, or any delay or failure by Lender to take action on any breach or default by Borrower or to pursue any remedy allowed under the Note or applicable law. Any extension of time granted to Borrower to perform any obligation under the Note shall not operate as a waiver or release from any of its obligations under the Note. Borrower hereby waives all defenses and pleas on the grounds of any extensions of the time for repayment of any amounts due under the Note, unless Lender has granted such extensions in writing. Consent by Lender to any act or omission by Borrower shall not be construed to be a consent to any other act or omission or to waive the requirement for Lender's written consent to future waivers.

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

21. **SUBORDINATION**. 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 a Multifamily Note, dated as of _____, in the original principal amount of _____, executed by the Borrower and payable to the Community Redevelopment Agency of the City of Los Angeles, California, as assigned to Wells Fargo Bank, National Association, as Trustee ("Trustee"), to the extent and in the manner provided in that certain Subordination and Intercreditor Agreement, dated as of _____, among Trustee and the holder of this Note and Borrower (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.

Executed as of _____, 2009 at Los Angeles, California

'BORROWER"

ALEXANDRIA HOUSING PARTNERS, L. P.
a California limited partnership

By: Pacific Housing, Inc.,
a California nonprofit public benefit corporation,
its Managing General Partner

By:_____
Mark A. Wiese,
President

By: Amerland/Alexandria Partners, LLC,
a California limited liability company,
its Co-General Partner

By: Alexandria Partners, LLC,
a California limited liability company,
its Manager

By: The Amerland Group, LLC,
a California limited liability company,
its Managing Member

By: Islas Development, LLC,
a California limited liability company,
its Manager

By:_____
Ruben Islas,
Sole Member

EXHIBIT D
TO LOAN AGREEMENT

(FORM OF DEED OF TRUST)

NO FEE DOCUMENT

Recording requested by and
when recorded, mail to:

The Community Redevelopment Agency
of the City of Los Angeles, California
354 South Spring Street
Los Angeles, CA 90013
Attn: Asset Management

DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

(Securing loan of $11,900,000.00)
Loan # 872550A

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made this _____ day of _____, 2009 ("Effective Date"), by Alexandria Housing Partners, L. P., a California limited partnership ("Trustor"), to First American Title Company as trustee ("Trustee"), for the benefit of The Community Redevelopment Agency of the City of Los Angeles, California, a public body, corporate and politic ("Beneficiary"). This Deed of Trust is being executed in order to secure Beneficiary's interest as a governmental agency in ensuring both that public funds loaned for project development are repaid, and that housing projects assisted by public funds are developed and operated in a manner that is consistent with the public interest. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement (as defined in Section 2A).

GRANT IN TRUST

1. **GRANT.** Trustor, in consideration of the indebtedness referred to below, hereby irrevocably grants and conveys to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, all of Trustor's interest in the property located at 501 S. Spring St., Los Angeles, California 90013 and described in the attached Attachment 1, 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; all buildings, structures, fixtures, improvements, signs, and landscaping now or hereafter erected or located on the Property, including all equipment and machinery used for supplying or distributing heating, cooling, electricity, gas, water, air, and light, all kitchen and laundry appliances such as washers, dryers, refrigerators, garbage disposals, ovens, ranges, dishwashers, all plumbing and bathroom fixtures, all security and access control equipment, fire prevention and extinguishment equipment, elevators, floor coverings, window coverings, paneling, cabinets, (provided,

however, that Trustor shall have the right to remove, if necessary, such fixtures, furnishings, and equipment for the purpose of replacement with similar items of the same quality performing the same functions, which replacements shall themselves become part of this grant); all building material and equipment either now or hereafter delivered to the Property and intended to be installed therein or any such material and equipment purchased with Loan proceeds whether or not located on the Property; all reserves, accounts, deferred payments, and refunds relating to development on the Property; all rents and income generated by the Property or improvements thereon; all leases, subleases and rental agreements covering the Property or any portion thereof now existing or hereafter entered into, and all interests of Trustor in security deposits, advance rentals, accounts, or payments of similar nature with respect to such leases, subleases, or rental agreements; all easements and rights-of-way appurtenant to the Property, including parking and recreational easements, and all interests of Trustor in any land lying within the right-of-way of any street, sidewalks, and areas of land adjacent to or used in connection with the Property; all development rights and credits, air rights, water rights, and oil, gas or mineral rights with respect to the Property; all claims or demands with respect to insurance proceeds, and all awards made for a taking by eminent domain; all interests and rights in any private or government grants, subsidies, loans, or other financing with respect to development on the Property; all interests in personal property used in and about the Property (except furniture and other personal property of occupants of dwelling units on the Property); all intangible property and rights relating to the Property or operations on the Property, including trade names, goodwill, trademarks, and service marks; all government permits, approvals, and map rights related to construction on the Property; all architectural, structural, and mechanical plans, specifications, designs, studies, and data with respect to construction of improvements on the Property; all environmental tests, studies and reports with respect to the Property; all current and future claims and rights of action of Trustor against prior owners and operators of the Property, neighboring property owners and operators, tenants and former tenants, consultants, advisors, and other third parties with respect to environmental or Hazardous Materials contamination and cleanup of the Property under any federal, state, or local ordinances, statutes, regulations, or administrative decisions or common law.

To have and to hold the Property hereinbefore described together with appurtenances to the Trustee, its or his successors and assigns forever.

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

OBLIGATIONS SECURED

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

A. Repayment of the indebtedness of Trustor to Beneficiary, in accordance with that certain Permanent Loan Agreement dated as of the Effective Date and executed by and between Trustor and Beneficiary (the "Loan Agreement", on file at the offices of Beneficiary, which is hereby incorporated into this Deed of Trust by this reference), in the principal sum of Eleven Million Nine Hundred Thousand and NO/100 Dollars ($11,900,000.00) with interest thereon (the "Loan") evidenced by that certain Promissory Note Secured by Deed of Trust dated as of the Effective Date and executed by Trustor as Borrower (the "Note," on file at the offices of Beneficiary, which is hereby incorporated into this Deed of Trust by this reference) or as much of such sum as has been disbursed to or on behalf of

Trustor, along with any extensions, amendments, modifications, or renewals to the Note; and

B. Payment of any sums advanced by Beneficiary to protect the security and priority of this Deed of Trust; and

C. Payment of any sums advanced by Beneficiary following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein; and

D. Performance of every obligation, covenant or agreement of Trustor contained in this Deed of Trust, the Note, the Loan Agreement, the Housing Management Requirements, and the Agreement Containing Covenants, executed between Trustor and Beneficiary of even date herewith (the "Covenant Agreement"), including all modifications, extensions and renewals of these obligations; and

E. Performance of any other obligation or repayment of any other indebtedness of Trustor to Beneficiary, where such evidence of obligation or indebtedness specifically recites that it is secured by this Deed of Trust; and

F. Performance of any obligations of Trustor in any other agreements with respect to financing of the Project, as defined in the Covenant Agreement, or the Security the absence of which should adversely affect Beneficiary, whether or not Beneficiary is a party to such agreements.

ABSOLUTE ASSIGNMENT OF RENTS AND RIGHT TO POSSESSION

3. **ASSIGNMENT.** Trustor hereby absolutely and unconditionally assigns to Beneficiary all of the rents, issues, profits, royalties, revenues, income and other benefits (collectively, the "Rents") derived from the Property, whether now due, past due or to become due, and hereby gives to and confers upon Beneficiary, either directly or through a receiver, the right, power and authority, but not the obligation, to collect the Rents, and to sue, either in the name of Trustor or Beneficiary, for all such Rents and to apply the same to the indebtedness secured hereby in such order as Beneficiary may determine in its sole discretion. This assignment of Rents is intended to create and shall be construed to create an absolute assignment to Beneficiary of all of Trustor's right, title and interest in the Rents; provided, however, so long as no default exists by Trustor in the payment of any indebtedness secured hereby, or in any other covenant contained herein, or in said note or notes or in any other document evidencing or securing such indebtedness, Trustor shall have the right to collect all Rents from the Property and to retain, use and enjoy the same. Upon the occurrence of such a default, without the necessity of demand or other notice to Trustor or any other act to enforce Beneficiary's interest pursuant to this assignment, Trustor shall have no interest whatsoever in the Rents that are received by Trustor after a default, and all such Rents shall be received and held by Trustor in constructive trust for Beneficiary and delivered promptly to Beneficiary, or to a court-appointed receiver for the Property, without the necessity for further notice to, or demand upon, Trustor. Upon the occurrence of such a default and at any time thereafter during the continuance thereof, Beneficiary may, at its option, send any tenant of the Property a notice to the effect that: (a) a default has occurred; (b) Beneficiary has elected to exercise its rights under this assignment; and (c) such tenant is thereby directed to thereafter make all payments of Rents to or for the benefit of Beneficiary or as Beneficiary shall direct. Any such tenant shall

be entitled to rely upon any notice from Beneficiary and shall be protected with respect to any payment of Rents made pursuant to such notice, irrespective of whether a dispute exists between Trustor and Beneficiary with respect to the existence of a default or the rights of Beneficiary hereunder. Any such tenant shall not be required to investigate or determine the validity or accuracy of such notice or the validity or enforceability of this assignment. Trustor hereby agrees to indemnify, defend and hold any such tenant harmless from and against any and all losses, claims, damages or liabilities arising from or related to any payment of Rents by such tenant made in reliance on and pursuant to such notice.

4. **ENFORCEMENT.** Upon the occurrence of an Event of Default which remains uncured after expiration of the applicable cure period pursuant to the terms of the Loan Agreement or other Loan Documents, and written notice to Trustor, Beneficiary may, in addition to other rights and remedies permitted by the Loan Agreement, this Deed of Trust, or applicable law, (a) enter upon, take possession of, and manage the Security, either in person as a mortgagee-in-possession, by agent, or by a receiver appointed by a court, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Security, (b) collect all Rents, including those past due and unpaid, and apply the same to pay for the costs and expenses of operation of the Security, including attorneys' fees, and pay off any indebtedness secured by this Deed of Trust, all in such order as Beneficiary may determine, (c) enter upon and take possession of the Security, and/or (d) beneficiary may make, cancel, enforce, and modify leases and rental agreements, obtain and evict tenants, set and modify rent terms, sue for rents due, enter into, modify, or terminate any contracts or agreements, or take any legal action, as it deems necessary with respect to the Rents or to development or operation of the Security.

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

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

COMMERCIAL CODE SECURITY AGREEMENT – UCC-1 FILING

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

instrument in such form as Beneficiary may require to perfect a security interest with respect to said items. Trustor shall pay all costs of filing such financing statements and shall pay all reasonable costs of any record searches for financing statements and releases. Without the prior written consent of Beneficiary, Trustor shall not create or permit any other security interest in said items.

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

RIGHTS AND OBLIGATIONS OF TRUSTOR

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

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

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

12. **INSPECTION OF THE SECURITY.** Trustor shall permit Beneficiary to enter and inspect the Security for compliance with these obligations upon twenty four (24) hours advance notice of such visit by Beneficiary to Trustor or Trustor's management agent.

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

14. **DEFENSE AND NOTICE OF CLAIMS AND ACTIONS.** Trustor shall appear in and defend, at its own expense, any action or proceeding (whether initiated or defended by Beneficiary and/or Trustor) purporting to affect the Security and/or the rights of Beneficiary. Trustor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim,

of the filing of any action or proceeding and of any condemnation offer or action with respect to the Security.

15. **SUITS TO PROTECT THE SECURITY.** Following reasonable notice to Trustor, Beneficiary shall have power to institute and maintain such suits and proceedings, at Trustor's expense, as it may deem expedient (a) to prevent any impairment of the Security or the rights of Beneficiary, (b) to preserve or protect its interest in the Security and in the Rents, and (c) to restrain the enforcement of or compliance with any governmental legislation, regulation, or order, if the enforcement of or compliance with such legislation, regulation, or order would impair the Security or be prejudicial to the interest of Beneficiary.

16. **DAMAGE TO SECURITY.** Trustor shall give Beneficiary and Trustee prompt notice in writing of any damage to the Security. If any building or improvements erected on the Property is damaged or destroyed by an insurable cause, Trustor shall, at its cost and expense, repair or restore said buildings and improvements consistent with the original plans and specifications. Such work or repair shall be commenced within one hundred twenty (120) days after the damage or loss occurs and shall be complete within one (1) year thereafter. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Trustor shall make up the deficiency. Trustor shall not, by agreement or otherwise, permit any third party to use insurance proceeds in a manner inconsistent with the terms of the Loan Agreement.

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

18. **GRANTING OF EASEMENTS.** Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to the Security except, with Beneficiary's approval, Trustor may grant such easements, licenses, rights-of-way as are required for installation and maintenance of public utilities including water, gas, electricity, sewer, cable television, telephone, or as required by law.

19. **TAXES AND LEVIES.** Trustor shall pay before they become delinquent all taxes, assessments, fees, levies or charges levied against or on account of the Property or Development (as defined in the Loan Agreement) and shall pay as due all claims for work done on or for services rendered or material furnished to the Property. In the event that Trustor wishes to contest the legality of any such charge, Beneficiary shall pay under protest the charge prior to delinquency in order to prevent any involuntary lien on the Property.

20. **INSURANCE.** Trustor shall provide such insurance as required under the Loan Agreement and the Covenant Agreement. In the event Trustor fails to maintain the full insurance coverage required by this Deed of Trust, Beneficiary, after at least seven (7) business days prior notice to Trustor, may, but shall be under no obligation to, take out the required policies of insurance and pay the premiums on such policies. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of indebtedness as specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust. Trustor shall not, by agreement or otherwise, permit any third party to use insurance proceeds in a manner inconsistent with the Loan Agreement.

21. **CONDEMNATION AND INSURANCE PROCEEDS**. Immediately upon obtaining knowledge of the institution of any proceedings for the condemnation or other taking of all or any portion of the Security, or knowledge of any casualty damage to the Security, or damage in any other manner, Trustor shall immediately notify Beneficiary thereof. Trustor hereby authorizes and empowers Beneficiary as attorney-in-fact for Trustor to make proof of loss, to adjust and compromise any claim under the insurance policies covering the Security, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Beneficiary's expenses incurred in the collection of such proceeds; provided, however, that nothing contained in this Section shall require Beneficiary to incur any expense or take any action hereunder. Trustor hereby authorizes and empowers Beneficiary, at Beneficiary's option, as attorney-in-fact for Trustor, to commence, appear in and prosecute, in Beneficiary's or Trustor's name, any action or proceeding relating to any condemnation or other taking of all or any part of the Security, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Security, or any part thereof, or for conveyances in lieu of the Security, or any part thereof, shall be paid to Beneficiary. The foregoing powers of attorney are coupled with an interest and are irrevocable. Beneficiary shall release all insurance and condemnation proceeds to Trustor to be used to reconstruct the improvements on the Property provided that Beneficiary determines that such restoration, repair or rebuilding is economically feasible. If such insurance proceeds are insufficient for such purposes, Trustor shall make up the deficiency. If the Security is subject to a partial condemnation or taking, then the proceeds received therefrom shall be applied to restore the Security taken, provided Beneficiary determines that such restoration is economically feasible and no default exists under the Note following the expiration of all applicable cure periods. If the Security is subject to a total condemnation, or if Beneficiary determines that restoration of the Security is not feasible following a partial condemnation, or if a default exists then the proceeds from any condemnation award or claim for damages shall be used first to repay all sums under the Note, with the excess, if any, paid to Trustor. Beneficiary shall be under no obligation to question the amount of any compensation, awards, proceeds, damages, claims, rights of action, and payments relating to condemnation or other taking of the Security or insured casualty affecting the Security, and may accept the same in the amount in which the same shall be paid. Trustor shall execute such further evidence of assignment of any awards, proceeds damages or claims arising in connection with such condemnation or taking or such insurance as Beneficiary may require. Trustor shall not, by agreement or otherwise, permit any other party or lender to use insurance or condemnation proceeds in a manner inconsistent with this Section.

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

A. the grant of a leasehold interest to qualifying households who will occupy Project units as provided for under the Loan Documents and the Covenant Agreement;

B. sale or transfer of fixtures or personal property pursuant to the grant provisions in this Deed of Trust; or

C. transfers of limited partner interests, interests in the limited partner, and subject to Beneficiary's reasonable approval of a substitute general partner, the transfer of general partner interests if the general partner is removed for cause as provided in Trustor's partnership agreement.

Consent to one (1) sale or transfer shall not be deemed to be a waiver of the right to require such consent to future or successive transactions.

23. **RECONVEYANCE BY TRUSTEE.** This trust is intended to continue for the entire term of the Loan. Upon written request of Beneficiary stating that all sums secured by this Deed of Trust have been paid 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.

DEFAULT AND REMEDIES

24. **EVENTS OF DEFAULT.** Any Event of Default under the Loan Agreement, including, but not limited to the following, that continues after the expiration of all applicable cure periods, shall also constitute an Event of Default under this Deed of Trust: (1) Trustor's failure to pay when due any sums payable under this Deed of Trust, the Note, or the Loan Agreement; (2) Trustor's failure to observe or to perform any of its other covenants, agreements or obligations under this Deed of Trust, the Covenant Agreement, the Note, or the Loan Agreement; or (3) any default by Trustor under any other instrument or agreement that pertains to the financing or operation of the Project or the Security and the continuation of such default beyond the expiration of all applicable cure periods.

Notwithstanding anything to the contrary set forth herein, any "Event of Default" described hereinabove shall not constitute an "Event of Default" for the purposes of this Deed of Trust or any other Loan Document if the defaulting party cures, corrects or remedies the Event of Default within (a) thirty (30) calendar days (ten (10) calendar days if the Event of Default is monetary) from receipt from the non-defaulting party of notice pursuant to the terms of the Loan Agreement, or (b) solely in the event of a non-monetary Event of Default, if such non-monetary default cannot be reasonably cured within thirty (30) days, such longer period as is necessary to cure such default, provided the defaulting party commences the cure within the thirty (30) day period from receipt of the aforementioned notice and diligently prosecutes such cure to completion.

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

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

A. Enforce the assignment of rents and right to possession as provided for in this Deed of Trust, and/or seek appointment of a receiver to take over possession of the Security and collect Rents;

B. Intentionally omitted.

C. Disburse any amount necessary to cure any monetary default under this Deed of Trust, the Loan Agreement, or the Note;

D. Commence an action to foreclose this Deed of Trust pursuant to California Code of Civil Procedure Sections 725a, et seq., and/or seek appointment of a receiver from a court of competent jurisdiction with the authority to protect Beneficiary's interests in the Security, including the authority to complete construction of improvements;

E. Deliver to Trustee a written declaration of Default and demand for sale, and a written Notice of Default and election to cause Trustor's interest in the Security to be sold, which notice Trustee or Beneficiary shall duly file for record in the Official Records of Los Angeles County, and exercise its power of sale as provided for below; or

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

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

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

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

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

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

GENERAL PROVISIONS

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

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

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

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

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

BENEFICIARY: Community Redevelopment Agency of the
City of Los Angeles
354 South Spring Street, Suite 800
Los Angeles, CA 90013
Attention: Asset Management

TRUSTOR: c/o The Amerland Group, LLC
P.O. Box 880367
San Diego CA 92168
Attn: Ruben Islas
Phone No.: (619) 260-5562
Fax No.: 619) 260-5563

And to: c/o The Buxbaum Group
28720 Canwood St., Suite 108
Agoura Hills, CA 91301
Attn: Paul Buxbaum
Phone No.: (818) 878-3900
Fax No.: (818) 878-3911

And to: c/o Pacific Housing, Inc.
1801 L Street, Suite 245
Sacramento, CA 95814
Attn: Mark Wiese
Phone No.: (916) 638-5200

Fax No.: (916) 325-1204

with a copy to: Cox, Castle & Nicholson LLP
555 California Street, Tenth Floor
San Francisco, CA 94104-1513
Attn: Stephen C. Ryan, Esq.
Phone No.: (415) 392-4200
Fax No.: (415) 392-4250

And to: The Buxbaum Group
28720 Canwood St., Suite 108
Agoura Hills, CA 91301
Attn: Scott Rusczyk
Phone No.: (818) 878-3900
Fax No.: (818) 878-3911

And to: CTWC-Alexandria Housing LLC
c/o Column Capital
7650 Courtney Campbell Causeway, Suite 875
Tampa, FL 33607
Attn: William J. Tomashewski
Phone No.: (813) 207-2131
Fax No.: (813) 207-2121

And to: Nixon Peabody LLP
401 9th Street, N.W., Suite 900
Washington, D.C., 20004-2128
Attn: Gary A. Band, Esq

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

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

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

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

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

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

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

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

42. **ACCEPTANCE BY TRUSTEE.** Trustee accepts this Trust when this 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 or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

43. **WAIVER OF MARSHALING AND CERTAIN RIGHTS.** To the extent that Trustor may lawfully do so, Trustor hereby expressly waives any right pertaining to the marshaling of assets, the exemption of homestead, the administration of estates of decedents, or other matter to defeat, reduce or affect the right of Beneficiary to sell the Security for the collection of the Loan (without prior or different resort for collection), or the right of Beneficiary to the payment of the Loan out of the proceeds of sale of the Security in preference to every other person and claimant.

44. **POWER OF ATTORNEY.** Trustor hereby irrevocably appoints Beneficiary as Trustor's attorney-in-fact (such CRA/La being coupled with an interest), and as such attorney-in-fact, Beneficiary may, without the obligation to do so, in Beneficiary's name or in the name of Trustor, prepare, execute, file and record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve any of Beneficiary's security interests and rights in or to any of the Security, and upon an Event of Default hereunder, take any other action required of Trustor; provided, however, that Beneficiary as such attorney-in-fact shall be accountable only for such funds as are actually received by Beneficiary.

45. **NON-RECOURSE**. The obligations of Trustor hereunder shall be limited to the same extent as set forth in Section 12.24 of the Loan Agreement as if such provision were set forth in whole herein.

46. **PARTIAL SUBORDINATION TO EXTENDED USE AGREEMENT.** Trustor and the California Tax Credit Allocation Committee may enter into a Regulatory Agreement (the "**TCAC Regulatory Agreement**"), which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the "**Code**"). In the event of a foreclosure of Beneficiary's interest under this Deed of Trust or delivery by the Trustor of a deed in lieu thereof (collectively, a "**Foreclosure**"), the following rule shall apply:

> In the event of a Foreclosure, throughout the extended use period specified in the TCAC Regulatory Agreement, with respect to any unit that had been regulated by the TCAC Regulatory Agreement, (i) none of the eligible tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants' ineligibility pursuant to Section 42 of the Code), (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:

ALEXANDRIA HOUSING PARTNERS, L. P.
a California limited partnership

By: Pacific Housing, Inc.,
a California nonprofit public benefit corporation,
its Managing General Partner

By:_____
Mark A. Wiese,
President

By: Amerland/Alexandria Partners, LLC,
a California limited liability company,
its Co-General Partner

By: Alexandria Partners, LLC,
a California limited liability company,
its Manager

By: The Amerland Group, LLC,
a California limited liability company,
its Managing Member

By: Islas Development, LLC,
a California limited liability company,
its Manager

By:_____
Ruben Islas,
Sole Member

THIS DOCUMENT MUST BE NOTARIZED FOR RECORDING

1174253.5

ATTACHMENT 1 TO EXHIBIT D

(LEGAL DESCRIPTION)

ASSESSOR'S IDENTIFICATION NUMBERS: _____

COMMON ADDRESS: _____

[*please set forth full legal description*]

EXHIBIT E
TO LOAN AGREEMENT

(FORM OF AGREEMENT CONTAINING COVENANTS)

NO FEE DOCUMENT
Recording requested by and
when recorded, mail to:

The Community Redevelopment Agency
of the City of Los Angeles, California
354 South Spring Street
Los Angeles, CA 90013
Attn: Asset Management

Assessor's Identification Number: 5149-034-005/006

AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY
Loan # 872550A

This AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY (this "**Covenant Agreement**") is made this _____ day of _____, 2009, ("**Effective Date**") by and between The Community Redevelopment Agency of the City of Los Angeles, California, a public body, corporate and politic (the "**CRA/LA**"), and Alexandria Housing Partners, L. P., a California limited partnership ("**Owner**").

RECITALS

A. The CRA/LA wishes to promote the redevelopment of its City Center Redevelopment Project Area through the development of multifamily rental housing affordable to low- , very low- and moderate-income households.

B. Owner has acquired the real property located at 501 S. Spring Street, Los Angeles, CA 90013 (as more particularly described in Attachment 1) (the "**Property**") for the rehabilitation of 463 residential units located thereon (the **"Project")** of which four hundred sixty-one (461) units shall be rented to Eligible Households at Qualifying Rents as more particularly described herein.

C. Owner has received a loan of CRA/LA tax increment funds in the amount of ELEVEN MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS ($11,900,000.00) for the Project ("**CRA/LA Loan**").

D. The CRA/LA adopted the Development Guidelines and Controls for Residential Hotels in May, 2006, and pursuant to the provisions therein, the CRA/LA must use every effort to preserve, rehabilitate and replace existing housing units serving lower income households.

E. The CRA/LA Loan is funded from CRA/LA Bunker Hill Low and Moderate Income Housing Funds, which may be used only to create or preserve low and moderate income housing.

F. As a condition of the CRA/LA Loan, Owner shall execute, among other things, a Note, a Deed of Trust, a Notice of Affordability Restrictions, and this Covenant Agreement, of which the Deed of Trust, Notice of Affordability Restrictions, and Covenant Agreement shall be recorded against the Property. These instruments are intended to secure CRA/LA's continuing interest in the affordability and habitability of the Project, as well as to secure performance of other covenants contained in these agreements.

G. The purpose of this Covenant Agreement is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Property. The covenants in this Covenant Agreement are intended to run with the land and be binding on Owner and Owner's successors for the full term of this Covenant Agreement.

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

DEFINITIONS

The following terms have the meanings and content set forth in this section wherever used in this Covenant Agreement or attached exhibits.

1. **"CRA/LA"** means The Community Redevelopment Agency of the City of Los Angeles, California, a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California, and its authorized representatives, assigns, transfers, or successors-in-interest thereto. The principal office of the CRA/LA is located at 354 South Spring Street, Suite 800, Los Angeles, California 90013.

2. **"CRA/LA LOAN"** is defined in Recital C.

3. "**ADJUSTED FOR FAMILY SIZE APPROPRIATE TO THE UNIT**" shall be determined consistent with Section 50052.5(h) of the California Health and Safety Code and applicable federal rules.

4. **"AREA MEDIAN INCOME"** means the median income for Los Angeles County as determined by California Department of Housing and Community Development (**"HCD"**) in accordance with California Health and Safety Code Section 50093.

5. **"ASSISTED UNITS"** means 461 of the residential units on the Property.

5A. **"BOND REGULATORY AGREEMENT"** means that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of August 1, 2006, executed by and among CRA/LA, Owner and Wells Fargo Bank, National Association as Trustee.

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

7. "**CLAIMS**" is defined in Section 51.

7A. "**CLOSING DATE**" means the date that the proceeds of the CRA/LA Loan are disbursed and this Agreement and the Deed of Trust are recorded.

8. **"DEED OF TRUST"** means the deed of trust, assignment of rents, and security agreement placed on the Property as security for the CRA/LA Loan and other obligations with Owner as trustor and the CRA/LA as beneficiary, as well as any amendments to, modifications of, and restatements of said deed(s) of trust.

9. **"ELIGIBLE HOUSEHOLD"** means a household for which gross household income upon initial occupancy does not exceed the maximum income level for an Assisted Unit as specified in Sections 33 and 33.1.

10. **"HOUSING MANAGEMENT REQUIREMENTS"** shall mean the requirements for managing the Project as set forth herein and/or in the Loan Agreement.

11. **"IMPROVEMENTS"** shall mean the four hundred sixty-three (463) apartment units located at 501 S Spring St. Los Angeles, CA 90013.

12. "**INDEMNITEES**" is defined in Section 51.

13. **"LOAN AGREEMENT"** means the loan agreement executed concurrently with this Covenant Agreement by Owner and the CRA/LA, which governs the CRA/LA Loan, as well as any amendments to, modifications of, or restatements of said loan agreement.

14. **"LOAN DOCUMENTS"** are collectively the Loan Agreement, Note, Deed of Trust, Notice of Affordability Restrictions, and this Covenant Agreement as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

15. **"LOW INCOME HOUSEHOLD"** means a "Lower income household" as defined in California Health and Safety Code Section 50079.5 as such may be amended from time to time.

16. "**MODERATE INCOME HOUSEHOLD**" means "Persons and families of low or moderate income" as defined in California Health and Safety Code Section 50093 as such may be amended from time to time.

17. **"NOTE"** means the promissory note executed by Owner in favor of the CRA/LA evidencing the CRA/LA Loan, which is secured by the Deed of Trust, as well as any amendments to, modifications of, or restatements of said promissory note.

18. **"NOTICE OF AFFORDABILITY RESTRICTIONS"** is the Notice of Affordability Restrictions on Transfer of Property in the form of Exhibit K attached to the Loan Agreement, to

be recorded against the Property and which provides notice on title regarding this Covenant Agreement, pursuant to Section 33334.3 of the California Health and Safety Code.

19. **"OWNER"** is Alexandria Housing Partners, L. P., a California limited partnership, and its assigns, transferees, and successors-in-interest.

20. **"PROJECT"** is defined in Recital B.

21. **"PROPERTY"** means the real property described in the attached Attachment 1, which is hereby incorporated into this Covenant Agreement by this reference, and all buildings and improvements now or hereafter situated on said real property.

22. **"QUALIFYING RENT"** means the monthly rent to be charged by Owner and payable by a tenant for an Assisted Unit in an amount less than or equal to the applicable maximum amount permitted pursuant to Section 35 of this Covenant Agreement.

23. "**SETTLEMENT AGREEMENT**" is defined in the Loan Agreement.

24. **"VERY LOW INCOME HOUSEHOLD"** has the meaning set forth in California Health and Safety Code Section 50105, as such may be amended from time to time.

OWNER'S OBLIGATIONS

25. **COMPLIANCE WITH CRA/LA LOAN DOCUMENTS.** Owner's actions with respect to the Property and the use of CRA/LA Loan funds shall at all times be in full conformity with all of the requirements of the Loan Documents.

26. **RELOCATION.** If following the date of the Settlement Agreement, any renovation, rehabilitation or reconstruction of the Improvements or any other aspect of Owner's operation of the Improvements results in the permanent or temporary displacement of residential tenants, homeowners, or businesses: (i) the Owner shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits, and (ii) the Owner shall be solely responsible for payment of relocation benefits to all displaced persons and for compliance with all other obligations associated with complying with said relocation laws and regulations. The Owner hereby agrees to indemnify, defend and hold the Indemnitees harmless from and against any and all Claims arising directly or indirectly as a result of or in connection with the breach of Owner's obligations set forth in this Section 26. The provisions of this Section 26 shall survive the term of this Covenant Agreement. It is further agreed that the Indemnitees do not and shall not waive any rights against Owner which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by CRA/LA, or Owner's deposit with CRA/LA of any of the insurance policies required pursuant to the Loan Agreement.

27. **TERM OF AGREEMENT.** This Covenant Agreement shall commence upon the Effective Date and shall remain in full force and effect for fifty-five (55) years from the Conversion Date (as defined in the Loan Agreement), regardless of any expiration of the term of the CRA/LA Loan, any payment or prepayment of the CRA/LA Loan, any assignment of the Note, any reconveyance of the Deed of Trust, or any sale, assignment, transfer, or conveyance

of the Property, unless terminated earlier by the CRA/LA in writing or extended by the mutual consent of the parties. The failure to record this Covenant Agreement or the Notice of Affordability Restrictions shall not relieve Owner of any of the obligations specified herein.

PROJECT OCCUPANCY AND RENTS

28. **OPERATION OF PROPERTY.** Owner and its agents shall lease, operate and manage the Property in full conformance with the terms of this Covenant Agreement. Owner agrees to maintain and operate the Assisted Units so as to provide decent, safe, and sanitary housing.

28.1 **COMPLIANCE WITH HOUSING MANAGEMENT REQUIREMENTS.** Owner shall comply with the provisions of the Housing Management Requirements set forth in Attachment 2, attached hereto and incorporated herein by reference.

28.2 **BARRIERS TO THE DISABLED.** Owner shall maintain the Improvements and the Property in compliance with all requirements of state, local and federal rules, laws and regulations relating to accessibility for persons with disabilities, including without limitation, the following to the extent any are applicable to the Property and the Improvements and the Property and the Improvements are not otherwise exempt: Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794 and implementing regulations at 24 CFR, Part 8); the Americans with Disabilities Act (42 U.S.C. Sections 12131 *et seq.* and 12181 *et seq.* and implementing regulations at 28 CFR Parts 35 and 36); the Fair Housing Act (42 U.S.C. Section 3601 *et seq.* and implementing regulations at 24 CFR Part 100); the Fair Employment and Housing Act (California Government Code Section 12926); and Title 24 of the California Building Code.

29. **LEASING THE PROPERTY.** Prior to disbursement of the CRA/LA Loan proceeds, Owner shall submit its proposed form of residential lease for CRA/LA's review and approval. Such leases shall be for an initial term of no less than one (1) year unless mutually agreed upon by Owner and the tenant and shall not contain any of the following provisions:

(1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;

(2) Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

(3) Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

(4) Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

(5) Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

(6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;

(7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and

(8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

All Assisted Units shall be leased and shall not be permanently withdrawn from the market. Assisted Units shall be rented in a manner consistent with the Space and Occupancy Standards set forth in Section 501, et seq. of the Uniform Housing Code (1982 ed.), and in such a manner that there is no under-utilization of the floor space of Assisted Units.

29.1 **JUST CAUSE EVICTIONS.** Any termination of a residential lease or refusal to renew must be preceded by not less than three (3) days written notice (or such longer period as required by applicable law) to the tenant specifying the grounds for the action. Owner may not terminate the tenancy or refuse to renew the lease of a tenant except for good cause, including but not limited to serious or repeated violation of the terms and conditions of the lease or for violation of applicable Federal, State, or local law. Owner shall include the following provision in all tenant leases and rental agreements:

> Owner may not terminate the tenancy or refuse to renew this lease or rental agreement except for good cause, including a serious or repeated violation of the material terms and conditions of the lease, or a violation of applicable federal, state, or local law. To terminate the tenancy or refuse to renew the lease, Owner must provide written notice to the tenant of the grounds with sufficient specificity to enable the tenant to prepare a defense. The notice must be served at least three (3) days before the termination of tenancy, and must comply with all requirements of California law and other applicable programs. Tenant has the right to enforce this requirement in state court, including presenting a defense to any eviction action brought by Owner.

30. **TENANT SELECTION; PRIORITY FOR FORMER TENANTS.** Upon vacancy of an Assisted Unit, Owner shall make reasonable efforts to advertise to Eligible Households. Owner shall follow the Affirmative Marketing Plan submitted by Owner pursuant to Paragraph 7 (a)(ii) of Attachment 2 to this Covenant Agreement in the form approved by CRA/LA (the **"Affirmative Marketing Plan"**).

Before leasing the Assisted Units, Owner must provide CRA/LA for its review and approval Owner's written tenant selection plan. The Owner's tenant selection plan must, at a minimum

include policies and criteria that:

(1) Are consistent with the purpose of providing housing for low-, very low- and moderate-income families;

(2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;

(3) Except as otherwise provided in this Section 30, provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and

(4) Give prompt written notification to any rejected applicant of the grounds for any rejection.

Subject to the provisions of this Section 30, Owner may rent the Assisted Units to any Eligible Household according to the tenant selection plan. Owner shall verify the eligibility of prospective tenants and shall require documentation that the tenant's gross household income from all sources does not exceed allowable limits as described in Sections 33 and 33.1 of this Covenant Agreement.

Except to the extent prohibited by law, Owner shall grant a priority in leasing available Assisted Units to persons referred by CRA/LA pursuant to the Settlement Agreement ("**CRA/LA Referred Tenants**") upon such terms and conditions as otherwise offered to the general public. Owner agrees that no credit check fee will be charged for CRA/LA Referred Tenants. In addition, Owner agrees to not preclude acceptance of CRA/LA Referred Tenants solely on the basis of prior credit or criminal history without taking into account mitigating circumstances.

Unless prohibited by law, Owner shall also give priority for Assisted Units to Eligible Households who have been displaced as a result of the City of Los Angeles or CRA/LA projects upon such terms and conditions as otherwise offered to the general public. After CRA/LA Referred Tenants and such displacees, unless prohibited by law, Eligible Households in any one or more of the following categories shall be given preference in the selection for occupancy of the Assisted Units: (1) those paying more than 50% of their income for housing; (2) those living in overcrowded or seriously substandard conditions, especially housing which the City has cited for health and safety violations; (3) those in danger of imminent displacement as a result of CRA/LA or City action in cases where the property owners agree not to re-rent the unit; and (4) homeless households. Thereafter, occupancy shall be provided as set forth in the Affirmative Marketing Plan.

Owner need not accept any CRA/LA Referred Tenant or displaces or other referral if the referred individual does not qualify pursuant to restrictions imposed on Owner as a condition for obtaining financing for the Project. This includes, but is not limited to, applicable rules of the U.S. Department of Housing and Urban Development and other federal and state statutes and regulations or policies that apply to the Project.

31. **NOTICE TO TENANTS.** Owner is required to give written notice to all tenants of Assisted Units at all of the times set forth in this Section. Owner must maintain in its files a copy of each such notice with each tenant's signed acknowledgment. If all such notices have been

provided, upon termination of the rent restriction period under this Covenant Agreement, rents may be set at market rates unless otherwise restricted by some other legal, regulatory, or contractual requirement.

A. Upon initial move-in/lease execution, Owner shall give all tenants of Assisted Units written notice of the duration of the rent restrictions under this Covenant Agreement. The notice shall, at a minimum, contain language that the rent restrictions under this Covenant Agreement shall be in effect for fifty-five (55) years, and shall terminate on or about _____, 2064.

B. Twelve (12) months prior to the termination of the rent restriction period under this Covenant Agreement, or at such earlier time as may be required by law, Owner must give written notice to all tenants of Assisted Units of the termination of the restrictions on the Assisted Units under this Covenant Agreement.

C. Ninety (90) days prior to the termination of the rent restriction period under this Covenant Agreement, or at such earlier time as may be required by law, Owner must again give written notice to all tenants of Assisted Units of the termination of the restrictions on the Assisted Units under this Covenant Agreement.

32. **INCOME CERTIFICATION.** For the full term of this Covenant Agreement Owner shall limit the rental of Assisted Units to Eligible Households. The income levels and other qualifications of applicants for Assisted Units shall be certified within ten (10) business days of the household's expected occupancy of an Assisted Unit. Owner acknowledges that it has received a copy of the current City of Los Angeles rules governing income certification, and shall comply with these rules as they may be amended.

On an annual basis, Owner shall provide the CRA/LA with a copy of an occupancy summary report (**"Occupancy Summary Report"**) in a form specified by CRA/LA, showing for each Assisted Unit, the present occupants, the rent and other tenant-paid charges, the size of the unit, the household size, household income at the time of initial occupancy, income certification information, move-in date, move-out date and any other information which the CRA/LA requests and which relates to the eligibility of such households. If the household size of a tenant changes, the CRA/LA may request additional income documentation to determine eligibility.

The CRA/LA may require the Owner, at any time, to re-examine for compliance with this Covenant Agreement, the income of each tenant household and immediately submit its findings to the CRA/LA.

33. **AFFORDABILITY RESTRICTIONS.** Subject to the last sentence of this Section 33, for the full term of this Agreement as set forth in Section 27:

(a) 187 studio units in the Project shall be rented at Qualifying Rents and occupied (or if vacant, available for occupancy) by Eligible Households who qualify as Very Low Income Households;

(b) an additional 59 studio units and four (4) one-bedroom units in the Project shall be rented at Qualifying Rents and occupied (or if vacant, available for occupancy) by Eligible Households who qualify as Low Income Households;

(c) an additional 187 studio units and 24 one-bedroom units in the Project shall be rented at Qualifying Rents and occupied (or if vacant, available for occupancy) by Eligible Households who qualify as Moderate Income Households; and

(d) Owner may set aside two (2) units in the Project for use as "Manager's Units," which units shall be occupied by persons (or households) employed as site managers of the Project. The "Manager's Units" are not subject to the income limits set forth in this Covenant Agreement.

The following table depicts the required number of units by unit size and income level based upon the Housing and Community Development rental definition of Area Median Income.

Unit Type	HCD Very Low Income	HCD Low Income	HCD Moderate Income	TOTAL
Studio	187	59	187	**433**
1-Bdrm		4	24	**28**
TOTAL	**187**	**63**	**211**	**461**

Notwithstanding anything to the contrary set forth in this Covenant Agreement throughout the term of this Covenant Agreement tenant household income eligibility limits shall be set at the *lowest* of the income limits required by this Section 33, by Section 33 of the Bond Regulatory Agreement, or by the TCAC Agreement (as defined in Section 33.1), even if either or both of the Bond Regulatory Agreement and the TCAC Agreement are no longer in effect.

33.1 Additional Restrictions. Owner and CRA/LA acknowledge that for a term of fifty-five (55) years commencing on the Closing Date, pursuant to Section 33 of the Bond Regulatory Agreement and a California Tax Credit Allocation Committee regulatory agreement (the "**TCAC Agreement**") that will be recorded against the Property, the Assisted Units are subject to affordability requirements that are more restrictive than the requirements described in the preceding Section 33. The Bond Regulatory Agreement imposes and the TCAC Agreement will impose the following affordability restrictions based upon the Median Income for the Area (as defined in the Bond Regulatory Agreement) and the Tax Credit Allocation Committee ("TCAC") determination of rent restrictions as annually published by TCAC.

Unit Type	TCAC 30%	TCAC 35%	TCAC 40%	TCAC 45%	TCAC 50%	TCAC 60%	TOTAL
Studio	30	100	57	34	25	187	**433**
1-Bdrm					4	24	**28**
2-Bdrm							
3-Bdrm							
TOTAL	**30**	**100**	**57**	**34**	**29**	**211**	**461**

34. **RENT INCREASES.** If rent increases are permitted pursuant to this Covenant Agreement and applicable laws and regulations, tenants shall be given at least thirty (30) days' written notice prior to the effective date of any rent increase.

The maximum allowable rent that may be charged by Owner and paid by a tenant for an Assisted Unit may change from time to time when there are changes in TCAC's published rental restrictions.

For tenants who occupied units in the Project at the time Owner acquired the Property as identified in Attachment 3, allowable rent increases shall be calculated in the same manner as rent increases are calculated under the City of Los Angeles Rent Stabilization Ordinance Section 151.06, attached hereto as Attachment 4. For all other units, permitted annual rent increases shall be calculated based on the increases permitted by TCAC for tax credit projects.

35. **MAXIMUM RENTAL CHARGES.** The total monthly rent together with utilities (as calculated by the Housing Authority of the City of Los Angeles) and related services charged by Owner and paid by each Eligible Household shall not exceed the following:

(a) for units described in Section 33(a), one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Area Median Income Adjusted for Family Size Appropriate to the Unit;

(b) for units described in Section 33(b), one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of Area Median Income Adjusted for Family Size Appropriate to the Unit; and

(c) for units described in Section 33(c), one-twelfth (1/12) of thirty percent (30%) of one hundred and ten percent (110%) of Area Median Income, Adjusted for Family Size Appropriate to the Unit.

Notwithstanding anything to the contrary set forth in this Covenant Agreement, throughout the term of this Covenant Agreement, the maximum rent that may be charged for each Assisted Unit that is reserved for occupancy by households of a specified income level pursuant to Section 33, shall be the *lower of*: (i) the rent determined pursuant to the preceding paragraphs (a), (b) and (c) of this Section 35, and (ii) the rent determined pursuant to TCAC rules and regulations as applied to the affordability levels set forth in Section 33.1, even if either or both of the Bond Regulatory Agreement and the TCAC Agreement are no longer in effect.

In each case, the maximum allowable rent shall be reduced by a reasonable allowance for tenant-paid utilities as specified by the Housing Authority of the City of Los Angeles and by tenant-paid service charges.

Owner shall annually certify each tenant's gross household income and make any rent adjustment pursuant to the terms of this Covenant Agreement and the TCAC Agreement. Notwithstanding anything to the contrary set forth herein, at no time shall the rents charged for Assisted Units be more than the maximum affordable rent defined in California Health and Safety Code Section 50053, as such may be amended from time to time.

36. **CONDOMINIUM CONVERSION.** Owner shall not convert Assisted Units to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Assisted Units during the term of this Covenant Agreement.

37. **NONDISCRIMINATION.** Owner covenants for itself and all persons claiming under or through Owner, and this Covenant Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or the Improvements or part thereof, nor shall Owner or any person claiming under or through Owner 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, of, or for the Property or the Improvements or part thereof. Owner shall otherwise comply with all applicable local, state and federal laws concerning discrimination in housing.

Owner shall include a statement in all advertisements, notices and signs regarding the availability of residential units in the Project to the effect that Owner is an Equal Housing Opportunity Provider. For the duration of this Covenant Agreement Owner shall maintain the Project and the Improvements in compliance with all applicable federal, state and local disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., Government Code Section 4450, et seq., Government Code Section 11135, et seq., and the Unruh Civil Rights Act, Civil Code Section 51, et seq.

37.1 **FORM OF NONDISCRIMINATION AND NONSEGREGATION CLAUSES.** The Owner shall refrain from restricting the rental, sale or lease of the Property or the Project as provided in Section 37, above. All deeds, leases or contracts for the sale, lease, sublease or other transfer of the Property or the Project or part thereof entered into after the Effective Date shall contain or be subject to substantially the following nondiscrimination and nonsegregation clauses:

(a) In Deeds, the following language shall appear:

"(1) The grantee herein covenants by and for grantee and grantee's heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises 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, sublessees or vendees in the premises herein conveyed. The foregoing covenant shall run with the land.

"(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the

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

(b) In Leases, the following language shall appear:

"(1) The lessee herein covenants by and for the lessee, and lessee's heirs, executors, administrators and assigns, and all persons claiming under or through the lessee, that this lease is made and accepted upon and 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 any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transfer, use, occupancy, tenure or enjoyment of the premises 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 premises herein leased.

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

(c) In Contracts, the following language shall appear:

"There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the 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 selection, location, number, use or occupancy of tenants, lessee, subtenants, sublessees or vendees of the land."

PROPERTY MANAGEMENT

38. **MANAGEMENT RESPONSIBILITIES.** Owner is specifically responsible for all management functions with respect to the Property, including without limitation the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The CRA/LA shall have no responsibility over management of the Property. Owner shall comply with all provisions relating to Housing Management Requirements and set forth in this Covenant Agreement and/or the Loan Agreement.

39. **MANAGEMENT ENTITY.** The CRA/LA shall have the right to review and approve the management entity chosen by Owner for the Property and with the consent of the Permanent Lender and Investor (as defined in the Loan Agreement), the right to require a change in the management agent at any time during the term of this Covenant Agreement. Any contracting of management services by Owner shall not relieve Owner of its primary responsibilities for proper performance of management duties. Logan Property Management is hereby approved as the initial management entity.

40. **FINAL MANAGEMENT PLAN**. Prior to disbursement of the CRA/LA Loan proceeds, the Owner shall submit to the CRA/LA for review and approval a plan for marketing and managing the Assisted Units (the "Final Management Plan"). The Plan shall address in detail how Owner plans to market the availability of the Assisted Units to Eligible Households in accordance with the City of Los Angeles's affirmative fair housing marketing guidelines, and how Owner plans to certify the eligibility of prospective tenants. The Plan shall also address how the Owner and the management entity plan to manage and maintain the Property, and shall include appropriate financial information and documentation. The Plan shall include a form lease agreement that Owner proposes to enter into with residential tenants. Owner shall abide by the terms of the Final Management Plan in marketing and managing the Assisted Units and maintaining the Property.

Prior to disbursement of the CRA/LA Loan proceeds, Owner shall also submit a proposed management contract to the CRA/LA for the CRA/LA's prior review and approval. The CRA/LA shall have the right to review and approve any proposed amendments to the management contract or any new management contracts during the term of this Covenant Agreement.

41. **MAINTENANCE AND SECURITY.** Owner shall at its own expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary, habitable and tenantable living conditions for the benefit of Project occupants. Owner shall not commit or permit any waste on or to the Property, and shall prevent and/or rectify any physical deterioration of the Property. Owner shall provide adequate ongoing security equipment and services for Project occupants. Owner shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations and the Final Management Plan; but Owner's maintenance obligations shall not be limited only to the standards contained in these laws or the Final Management Plan.

In the event that Owner fails to maintain the Property in accordance with these standards and after at least ten (10) business days prior notice to Owner, the CRA/LA or the CRA/LA's contractor or agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in the CRA/LA's discretion, and provide for payment thereof. Any amount advanced by the CRA/LA to make such repairs, together with interest thereon from the date of such advance at the same rate of indebtedness as specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Owner to the CRA/LA and shall be secured by the Deed of Trust.

42. **INSPECTION AND RECORDS.** Owner shall maintain records required by the Loan Documents. Owner shall submit an Occupancy Summary Report containing the

information set forth in Section 32 within ten (10) business days of the CRA/LA's request. Owner also covenants and agrees to submit the information required by Health and Safety Code Section 33418 (a). Owner shall permit the CRA/LA reasonable access during regular business hours to enter and inspect the Property for compliance with obligations under this Covenant Agreement upon 24 hours advance written notice to Owner or Owner's management agent of such visit by the CRA/LA, or such other notice as may be required by law. Owner's rental agreements with the tenants of the Project shall also provide for periodic inspection of the Assisted Units for health and safety reasons.

43. **FEES, TAXES, AND OTHER LEVIES.** Owner shall be responsible for payment of all fees, assessments, taxes, charges and levies imposed by any public authority or utility company with respect to the Property, and shall pay such charges prior to delinquency.

44. **INSURANCE COVERAGE.** Owner shall cause to have in full force and effect during the term of this Covenant Agreement insurance coverage as required by the Loan Agreement, which insurance requirements hereby incorporated by reference into this Covenant Agreement.

45. **PROPERTY DAMAGE OR DESTRUCTION.** Subject to the rights of any senior lenders, if any improvements located on the Property shall be damaged or destroyed by an insurable cause, Owner shall, at its own cost and expense, diligently repair or restore the Property. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Owner shall make up the deficiency.

46. **HAZARDOUS MATERIALS** Owner shall comply with all requirements regarding Hazardous Materials set forth in the Loan Documents.

GENERAL PROVISIONS

47. **SUBORDINATION.** This Covenant Agreement shall be subordinated in priority only to the liens and encumbrances approved by the CRA/LA as set forth in the Loan Agreement.

48. **TRANSFER AND ENCUMBRANCE OF PROPERTY.** During the term of this Covenant Agreement, Owner shall not make or permit any sale, assignment, conveyance, lease (other than the rental of Assisted Units and Management Units in accordance with this Covenant Agreement and the lease of commercial portions of the Property to commercial tenants), or transfer of the Property or any part thereof, without the prior written consent of the CRA/LA; provided however, the transfer of limited partner interests and interests in the limited partners shall be permitted without CRA/LA's consent, and subject to CRA/LA's reasonable approval of a substitute general partner, the transfer of general partner interests shall be permitted if the general partner is removed for cause as provided in the Owner's partnership agreement. Owner. The CRA/LA may give its consent to a sale, transfer, or conveyance provided that all of the following conditions are met: (a) Owner is in compliance with the Loan Documents, or the sale, transfer, or conveyance will result in the cure of any existing violations of the Loan Documents; (b) the proposed transferee enters into a written assignment and assumption agreement, in a form and content reasonably satisfactory to CRA/LA's legal counsel, assuming all obligations of Owner imposed by this Covenant Agreement and the other

Loan Documents, and, if requested by CRA/LA, provides an opinion of such transferee's counsel to the effect that this Covenant Agreement and the other Loan Documents are valid, binding and enforceable obligations of such transferee, subject to bankruptcy and other standard limitations affecting creditor's rights; (c) the transferee demonstrates to the CRA/LA's satisfaction that it is capable of and intends to own and operate the Property in full compliance with this Covenant Agreement and the other Loan Documents; (d) the transferee demonstrates one of the following: (i) the transferee or its property manager has at least three year's experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (ii) the transferee agrees to retain a property management firm with the experience and record described in subclause (i) above, or (iii) Owner or its management company will continue to manage the Project for at least one year following such transfer and during such period will provide training to the transferee and its manager in the responsibilities relating to the affordable units; (e) the transferee does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the construction, maintenance, upkeep, operation and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; and (f) the terms of the sale, transfer, or conveyance shall not jeopardize the CRA/LA's security interest in the Property and is in full compliance with all standards, including eligibility requirements and other conditions imposed by any funding sources for the Project and the Loan.

During the term of this Covenant Agreement, Owner shall not engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the Property (except for any financing provided by the CRA/LA), without the prior written consent of the CRA/LA. The CRA/LA may give its consent to such financing if and to the extent necessary to maintain or improve the affordability or condition of the Property.

49. **DEFAULT AND REMEDIES** In the event of (i) the breach or violation of any provision of this Covenant Agreement, and following the failure by Owner to cure said breach or violation following written notice by CRA/LA to Owner of such breach or violation specifying: (a) the nature of the event or deficiency giving rise to the default, (b) the action required to cure the deficiency, if an action to cure is possible, and (c) a date, which shall not be less than thirty (30) calendar days from the date of receipt of the notice or the date the notice was refused, by which such action to cure must be taken, or (ii) upon the occurrence of an Event of Default as defined in the Loan Agreement that remains uncured after any applicable cure period, the CRA/LA may proceed with any or all of the following remedies after giving Owner an opportunity to cure in the same time and manner provided for with respect to Events of Default under the Loan Agreement:

A. Bring an action in equitable relief seeking the specific performance of the terms and conditions of this Covenant Agreement, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

B. Enter upon, take possession of, and manage the Property, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property;

C. After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof;

D. Pursue any other remedy set forth in the Loan Agreement; or

E. Pursue any other remedy allowed at law or in equity.

50. **NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS.** The CRA/LA 's officers, officials, employees or agents shall not be personally liable to Owner for any obligation created under the terms of this Covenant Agreement except in the case of actual fraud or willful misconduct by such person.

51. **INDEMNITY.** Notwithstanding the insurance coverage required herein, Owner shall indemnify, defend and hold the CRA/LA and City and their respective elected and appointed officers, officials, employees, agents, consultants, and contractors (collectively, the "**Indemnitees**") harmless from and against any and all liabilities, losses, costs, expenses (including without limitation attorneys' fees and costs of litigation), claims, demands, actions, suits, causes of action, writs, judicial or administrative proceedings, penalties, deficiencies, fines, orders, judgments and damages (all of the foregoing collectively "**Claims**") which the Indemnitees may incur as a direct or indirect consequence of (1) Owner's failure to perform any obligations as and when required by this Covenant Agreement; (2) any failure of any of Owner's representations or warranties to be true and complete; or (3) any act or omission by Owner or any contractor, subcontractor, management agent, or supplier with respect to the Project or the Property, except where such losses are caused by the sole negligence or willful misconduct of the Indemnitees. Owner shall pay immediately upon the Indemnitees' demand any amounts owing under this indemnity. The duty of the Owner to indemnify includes the duty to defend the Indemnitees in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Property. The Indemnitees may make all reasonable decisions with respect to its/their representation in any legal proceeding, including, but not limited to, the selection of attorney(s). This Section 51 shall survive the term of this Covenant Agreement. It is further agreed that CRA/LA and City do not and shall not waive any rights against Owner which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by CRA/LA, or Owner's deposit with CRA/LA of any of the insurance policies required pursuant to the Loan Agreement. Owner's indemnification obligations set forth in this Section 51 shall not apply to Claims arising from the active gross negligence or willful misconduct of the Indemnitees or to Claims that have been released pursuant to the Settlement Agreement.

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

53. **COVENANT AGREEMENT CONTROLS.** In the event that any provisions of this Covenant Agreement and the Loan Agreement conflict, the terms of the Covenant Agreement shall control.

54. **TIME.** Time is of the essence in this Covenant Agreement.

55. **CONSENTS AND APPROVALS.** Any consent or approval of the CRA/LA required under this Covenant Agreement shall not be unreasonably withheld. Any approval must be in writing and executed by an authorized representative of the CRA/LA.

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

CRA/LA:	Community Redevelopment Agency of the City of Los Angeles 354 S. Spring Street, Suite 800 Los Angeles, CA 90013 Attention: Asset Management
Owner:	c/o The Amerland Group, LLC P.O. Box 880367 San Diego CA 92168 Attn: Ruben Islas Phone No.: (619) 260-5562 Fax No.: (619) 260-5563
And to:	c/o The Buxbaum Group 28720 Canwood St., Suite 108 Agoura Hills, CA 91301 Attn: Paul Buxbaum Phone No.: (818) 878-3900 Fax No.: (818) 878-3911
And to:	c/o Pacific Housing, Inc. 1801 L Street, Suite 245 Sacramento, CA 95814 Attn: Mark Wiese Phone No.: (916) 638-5200 Fax No.: (916) 325-1204
with a copy to:	Cox, Castle & Nicholson LLP 555 California Street, Tenth Floor San Francisco, CA 94104-1513 Attn: Stephen C. Ryan, Esq. Phone No.: (415) 392-4200 Fax No.: (415) 392-4250
And to:	The Buxbaum Group 28720 Canwood St., Suite 108 Agoura Hills, CA 91301

Attn: Scott Rusczyk
Phone No.: (818) 878-3900
Fax No.: (818) 878-3911

And to: CTWC-Alexandria Housing LLC
c/o Column Capital
7650 Courtney Campbell Causeway, Suite 875
Tampa, FL 33607
Attn: William J. Tomashewski
Phone: 813-207-2131
Fax: 813-207-2121

And to: Nixon Peabody LLP
401 9th Street, N.W., Suite 900
Washington, D.C., 20004-2128
Attn: Gary A. Band, Esq.

57. **BINDING UPON SUCCESSORS.** All provisions of this Covenant Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of Owner and the CRA/LA, and shall run with the land for the full term of this Covenant Agreement, regardless of any assignment, payment, prepayment, expiration, extinguishment of the CRA/LA Loan or the Note, any reconveyance of the Deed of Trust, or any conveyance or transfer of the Property. Any successor-in-interest to Owner and any purchaser or transferee of the Property shall be subject to all of the duties and obligations imposed on Owner under this Covenant Agreement for the full term of this Covenant Agreement. The term "Owner" as used in this Covenant Agreement shall include all such assigns, successors-in-interest, and transferees.

58. **RELATIONSHIP OF PARTIES.** Nothing in this Covenant Agreement or any other Loan Document is intended to establish or shall be construed as establishing a joint venture, equity venture, partnership or relationship of principal and agent between Owner and the CRA/LA. The CRA/LA neither undertakes nor assumes any responsibility or duty to Owner or any third party with respect to the operation of the Property or the actions of Owner. Owner shall have no authority to act as an agent of the CRA/LA or to bind the CRA/LA to any obligation.

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

60. **THIRD PARTY BENEFICIARIES.** Owner acknowledges and agrees that in addition to any rights that the CRA/LA and/or City may have to enforce the covenants contained herein to protect the interests of the community (as provided by Redevelopment Law), the

tenants of the Assisted Units shall also be deemed third party beneficiaries of the covenants contained herein and shall have the right to enforce such covenants against Owner.

In addition to the foregoing, pursuant to Health and Safety Code Section 33334.3(f)(3)(B)(7), the covenants, conditions and restrictions set forth in this Covenant Agreement shall be covenants running with the land and shall be enforceable against Owner or any subsequent owner of the Property who violates a covenant or restriction and each successor in interest who continues the violation, by any of the following: (a) CRA/LA; (b) the City; (c) a resident of an Assisted Unit; (d) a residents' association with members who reside in Assisted Units; (e) a former resident of an Assisted Unit; (f) an applicant seeking to enforce the covenants or restrictions for a particular Assisted Unit, if the applicant (i) is of Low Income or Moderate Income; (ii) is able and willing to occupy the particular Assisted Unit; and (iii) was denied occupancy of the particular Assisted Unit due to an alleged breach of a covenant or restriction set forth in this Covenant Agreement; and (g) a person on an affordable housing waiting list who is of Low Income or Moderate Income and who is able and willing to occupy an Assisted Unit.

61. **OTHER AGREEMENTS.** Owner represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this Covenant Agreement. Owner shall not enter into any agreements that are inconsistent with the terms of this Covenant Agreement without an express waiver by the CRA/LA in writing.

62. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Covenant Agreement must be in writing, and shall be made only if executed by both Owner and the CRA/LA.

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

64. **HEADINGS; CONSTRUCTION**. The headings of the sections and paragraphs of this Covenant Agreement are for convenience only and shall not be used to interpret this Covenant Agreement. The language of this Covenant Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party.

65. **COUNTERPARTS.** This Covenant Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the CRA/LA and the Owner have caused this Covenant Agreement to be executed by their duly authorized representatives as of the date first written above.

THE COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF LOS ANGELES

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM
ROCKARD J. DELGADILLO, City Attorney

By: _____

ALEXANDRIA HOUSING PARTNERS, L. P.
a California limited partnership

By: Pacific Housing, Inc.,
a California nonprofit public benefit corporation,
its Managing General Partner

By:_____
Mark A. Wiese,
President

By: Amerland/Alexandria Partners, LLC,
a California limited liability company,
its Co-General Partner

By: Alexandria Partners, LLC,
a California limited liability company,
its Manager

By: The Amerland Group, LLC,
a California limited liability company,
its Managing Member

By: Islas Development, LLC,
a California limited liability company,
its Manager

By:_____
Ruben Islas, Sole Member

THIS DOCUMENT MUST BE NOTARIZED FOR RECORDING

Attachment 1 to Agreement Containing Covenants

PROPERTY

(Attach legal description.)

Attachment 2 to Agreement Containing Covenants

(HOUSING MANAGEMENT REQUIREMENTS)

These Housing Management Requirements shall apply to the Assisted Units described in the Loan Agreement dated as of _____, 2009 and executed by and between the CRA/LA and Owner as Developer (the "Loan Agreement") and in the Agreement Containing Covenants dated as of _____, 2009 and executed by and CRA/LA and Owner (the "Covenant Agreement"). The covenants of Owner contained herein shall remain in effect for the term specified in Section 27 of the Covenant Agreement. Any capitalized terms not otherwise defined herein shall have the definition ascribed to such terms in the Loan Agreement or the Covenant Agreement.

1. Owner and its successors and assigns shall ensure that the Assisted Units shall be rented exclusively to Eligible Households at Qualifying Rents, all in accordance with the Loan Agreement and the Covenant Agreement, and only such households shall be eligible to occupy the units. Tenant income eligibility and maximum rents are subject to adjustment from time to time as set forth in the Loan Agreement and the Covenant Agreement.

2. Owner, its successors and assigns shall not charge rents in excess of the amounts set forth in the Loan Agreement and the Covenant Agreement. Owner may increase rents for the dwelling units not more than annually in accordance with the Loan Agreement and the Covenant Agreement, subject (unless an exemption applies) to any applicable rent control ordinance then in effect including but not limited to Article XV of the Los Angeles Municipal Code, but in no event shall rent be greater than the rent permitted by the Covenant Agreement.

3. Owner, its successors and assigns, shall provide priority in the selection of eligible tenants in accordance with Section 30 of the Covenant Agreement. Owner and CRA/LA shall cooperate to effectuate such priorities prior to the initial renting, or upon occurrence of a vacancy, the re-renting of any dwelling units. Further, unless prohibited by Section 42 of the Internal Revenue Code of 1986 ("Section 42"), the Owner shall hold Assisted Units vacant for the relocation of Eligible Households displaced by the CRA/LA, upon the CRA/LA's request, as long as the Owner is paid an amount equal to the rent then charged for such Assisted Units less any savings realized by Owner during such holding period. The Owner shall accept any CRA/LA displacee who meets the Owner's then current tenant selection criteria. If a displacee referred by the CRA/LA to the Project is rejected for tenancy, the Owner shall specify in writing to the CRA/LA which of the selection criteria the tenant failed to meet. During the initial rent-up, and from time to time thereafter, the CRA/LA shall provide to the Owner a list of such persons entitled to priority. This section shall not apply to the extent it is prohibited by law.

4. Intentionally omitted.

5. The Owner agrees to submit to the CRA/LA on an annual basis an Occupancy Summary Report in a form set forth by the CRA/LA, showing the present occupants, rent, size of the unit, family size, income at the time of initial occupancy, income certification information, move-in date, and move-out date. Owner also covenants and agrees to submit the information required by Health and Safety Code Section 33418 (a). The Owner shall provide for the

submission of such information in its leases with tenants. The Owner agrees to submit this occupancy summary report within 60 days of the end of the calendar year for each year of the CRA/LA loan.

6. Owner, such successors and assigns shall maintain the Improvements, keep the Property free from any accumulation of debris, waste materials or graffiti, and maintain in a healthy condition any landscaping planted on the Property.

7. Owner, and its successors and assigns shall submit a Management Plan, in accordance with the following:

(a) Prior to disbursement of CRA/LA Loan proceeds, Owner shall submit to the CRA/LA Administrator a Management Plan for the Project in a form specified by the CRA/LA, which form is attached hereto as Attachment 2-A, and including but not limited to, the components listed below. The Management Plan, including such amendments as may be approved in writing by the CRA/LA Administrator or designee, shall remain in effect for fifty-five (55) years. The Management Plan is critical to the achievement of the CRA/LA's goal to provide affordable housing to low-, very low-, and moderate-income households, and no amendment to the Management Plan or any of its components is permitted without the prior written consent of the CRA/LA Administrator or designee. The components of the Management Plan shall include:

(i) **Management Agent** Owner shall submit the name and qualifications of the proposed management agent. The CRA/LA shall approve or disapprove the proposed Management Agent in writing based on the experience and qualifications of the Management Agent.

(ii) Affirmative Marketing Plan On a form provided by the CRA/LA, the Owner shall submit a plan for attracting to the Project tenants from those ethnic and racial groups least likely to reside in the Project in the absence of outreach efforts, and providing a method to insure a fair method of selecting tenants.

(iii) **Management Program** On a form provided by the CRA/LA, Owner or its management agent shall describe the proposed management, maintenance, tenant selection and occupancy policies and procedures for the Project. Such policies and procedures shall be consistent with the Covenant Agreement. The Owner shall not apply selection criteria which preclude tenants whose income is less than the maximum allowed income, and shall not discriminate in the rental of units among low-, very low-, and moderate-income applicants for tenancy who otherwise qualify for occupancy, for the sole reason of the income of such applicant.

(iv) **Management Agreement** Owner shall submit a copy of the proposed management agreement specifying the amount of the management fee and the relationship and division of responsibilities between Owner and management agent.

(v) **Tenant Lease or Rental Agreement** Owner shall submit a copy of the proposed tenant lease or rental agreement to be used in renting the dwelling units.

(vi) **Annual Budget** Annually not later than ninety (90) days prior to the beginning of the next operation year of the Project, the Owner shall submit a projected operating budget to the CRA/LA. The budget shall be in a form satisfactory to the CRA/LA.

(vii) **Parking Management Plan** Owner shall allocate the residential parking spaces among the dwelling units in accordance with a parking management plan to be included with the Management Plan. Residential tenants shall not be charged for parking space in the Improvements.

(viii) **Tenant Eligibility Review** Owner must determine the income eligibility of each tenant household pursuant to the CRA/LA's approved tenant certification procedures and submit satisfactory documentation to the CRA/LA for review and approval prior to the household's occupancy of one of the Project's units. Owner shall certify each tenant household's income on an annual basis.

(b) The Owner hereby covenants and agrees as follows: If at any time during the period when the Owner is required to manage the Project pursuant to the requirements set forth in this Attachment 2, the CRA/LA determines that the Project is not being managed or maintained satisfactorily, the Owner shall with the consent of the Permanent Lender and the Investor (as defined in the Loan Agreement) change the agent or practices complained of, upon receipt of written notice from the CRA/LA. The CRA/LA may require the Owner to change management practices or to terminate the management contract and retain a different management agent, approved by the CRA/LA with the consent of the Permanent Lender and the Investor (as defined in the Loan Agreement). The management agreement shall provide that it is subject to termination by the Owner without penalty, upon thirty (30) days prior written notice, at the direction of the CRA/LA. Within ten (10) days following a direction of the CRA/LA to replace the management agent, the Owner shall select another management agent or make other arrangements satisfactory to the CRA/LA Administrator or designee for continuing management of the Project.

(c) For the duration of the covenants set forth in this Attachment 2, occupancy standards shall be applied in the leasing of all units in the Project. These occupancy standards determine the minimum and maximum number of persons who may reside in each type of residential unit. Deviations from these standards may be allowed only with the prior written approval of the CRA/LA Administrator or designee. The following occupancy standards shall apply to the Project:

Number of Bedrooms	Minimum Number of Persons	Maximum Number of Persons
Studio	1	2
1	1	2
2	2	4

Attachment 2A to Agreement Containing Covenants

FORM OF PROJECT MANAGEMENT PLAN

(Attach form.)

MANAGEMENT PLAN

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PROPERTY MANAGEMENT PLAN

I. MANAGEMENT

A. Role and Responsibility of the Owner and/or Delegation of Authority to the Management Agent

1) **Scope of Responsibilities.** The respective responsibilities of Alexandria Housing Partners, LP (the "Owner"), Alexandria Partners, LLC (the "General Partner") and Logan Property Management, Inc. (the "Agent") are described in the Management Agreement (the "Agreement"). This Management Plan (the "Plan") is incorporated by reference in to the Management Agreement. This Plan does not supersede the Agreement. The terms of the Agreement supersede any terms of this Plan if there are any contradictory provisions, while the terms of this Plan supplement the terms of the Agreement if any provisions in the Plan are not explicitly included in the Agreement.

   The Agent will need prior approval from the Owner before taking action as noted below:

   a) Renewal of service contracts.
   b) Letting of any large contracts such as exterior painting, remodeling, etc.
   c) The issuance of three day notices to pay or quit.
   d) Evictions and legal proceedings.
   e) Authorization of Work Orders in excess of $1,000 for labor and or materials required to maintain the development. The Agent must make every effort to keep disbursements within the guidelines of the projected budget amounts.

2) **Change in Management Agent.** The General Partner maintains a list of property management agents who have the experience and capacity to manage Alexandria Apartment Homes and who are experienced in publicly supported affordable housing projects. The Owner will consult with staff from the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) regarding changes in the management agent.

   The Management Agreement provides that the Agreement may be terminated by the Owner with thirty (30) days written notice or upon three (3) days written notice if Owner and CTCAC, CRA, or any other lender or any equity investor determines that the Agent has failed to perform.

   If the Agent is terminated prior to occupancy, the Owner shall immediately seek and contract for services with another agent. The Agent will transfer all files and records related to the project to the Sponsor. These files shall include marketing and rent-up materials, prospective tenant applications and documents relating to the management of the project. The Owner shall be responsible for providing the new agent with the scope of responsibilities under CRA and CTCAC guidelines, including those for rent-up.

B. Personnel Policy and Staffing Arrangements

1) **Job Titles and Responsibilities.** The following personnel will be involved in the management of the property.

   a) Community Manager: Detailed job description is attached.
   b) Maintenance Supervisor: Detailed job description is attached.
   c) Maintenance Technician: Detailed job description is attached. Person selected to be the Maintenance Technician shall be entitled to occupy a unit rent-free. The value of the rent-free apartment shall be included on the budget for the Maintenance Technician's compensation and listed as "Employee Rent Free Unit."
   d) Occupancy Specialist: Detailed job description is attached
   e) Community Assistant Manager: Detailed job description is attached

2) **Hiring Policy**

   a) Minimum job qualifications for each position are detailed in the attached job descriptions.
   b) Interested applicants may contact the Agent's central office to establish a time to come in and complete an application. An applicant will be required to complete a written application. Skills testing and an oral interview may also be required. Each applicant will be informed by the Agent of either acceptance or rejection for an employment opportunity.
   c) Applicants are considered for positions, and employees are treated during their employment without regard to race, ethnicity, national origin, religion, creed, sex, sexual orientation, age, marital or veteran status, medical condition or handicap. All hiring of personnel shall conform to Equal Employment Opportunity guidelines.

      It is the intent of the Agent to comply with the laws and regulations, as applicable, concerning fair employment and affirmative action. The Agent will work with the Owner to actively recruit qualified women and minority candidates for all jobs. Special efforts will be made to provide information regarding job openings to women and minority candidates and contractors through outreach to community partners, newspapers, and other online communications media. All hiring materials will indicate that the Agent is an "Equal Opportunity Employer."

3) **Training.** Staff will receive comprehensive training on site and/or with affordable housing partners such as AHMA, CTCAC, Quadel, and KTS. In addition, the Regional Manager will provide concentrated training to personnel on a regular basis during the site visits. Training of all personnel covering CRA, CTCAC and Low Income Housing Tax Credit program guidelines and management policies will be carried out prior to the rent-up of the project. In addition, the Agent will inform its staff in writing of all changes in CRA and CTCAC management policies and requirements upon receipt of notice of changes from CRA and CTCAC. The Agent will also send project related personnel to relevant management workshops sponsored by various property management associations for the purpose of updating and renewing work-related skills.

4) **Employment of Local Community Members.** The Agent may consider members of the local community in hiring of project personnel, and will make available to the community all pertinent information, such as qualifications, application procedures, etc.

C. Plan for Maintaining Adequate Accounting Records and Handling Necessary Forms and Vouchers

1) **Project Accounting Basis.** The General Partner shall maintain financial accounting, reports, and records in conformance with standard accrual basis accounting procedures, and shall be responsive to the guidelines provided by the regulatory agencies connected with the project.

2) **Bank Accounts.** Owner shall maintain the following separate accounts:

   a) General Operating Account: The Owner shall maintain an operating account for rent collection and payment of the project's operating expenses.
   b) Security Deposit Account: The Owner shall maintain a Security Deposit Account. The account shall be separate from the operating account.
   c) Operating Reserve Account: The Owner shall maintain the operating reserve account. This account will be initially funded as required by the lenders and investors to the project in the amount established in the loan agreement and partnership documents. Funds will comply within the terms of lender and servicer agreements. Funds may be transferred from this account only to cover actual operating expenses in excess of the approved budget amount, or to compensate for vacancy and bad debt losses in the approved budget amount.
   d) Replacement Reserve Account: The initial contribution to this account will be determined by the lenders and investors to the project in the amount established in the loan agreement and partnership documents. The amount of funds will be based on anticipated capital improvements, project upgrading, and replacement items that the project's physical assets will require.

3) **Cash Receipts.** Agent shall collect rents, security deposits and all other payments and make bank deposits as needed. Owner will provide Agent with preprinted deposit slips.

   Agent will make available copies of deposit slips to Owner everyday in which there is activity. Agent will make available to Owner at the end of the month: a) the completed original cash journal; b) copies of all deposit slips with original bank receipts and copies of all checks deposited; c) all move-in and move-out reports.

   As outlined in the Agreement, the Agent shall prepare a rent roll showing scheduled and actual rents with a list of tenant delinquencies.

   Agent shall maintain individual tenant ledgers recording all tenant payments and receivables.

   Agent shall make all deposits into the Operating Account. Owner shall transfer appropriate amounts to and/or from the security deposit account on a monthly basis.

   Agent will prepare monthly bank reconciliations to verify all deposits.

4) **Operating Disbursements.** Disbursements from the Operating Account shall be made as described in the Agreement. Bills will be paid and accounts will be funded pursuant to the requirements of the project's regulatory agreement and loan agreement. Specifically:

   a) Agent will document all project expenses except those items and services provided on a regular contractual basis (utilities, trash removal, service contracts, etc.)
   b) Checks will be vouchered for payment by the Agent and processed for payment of any payable on hand.
   c) Owner's mechanisms for cost control, purchasing, and procurement of contract services are delineated in the Agreement. Expenses of $1,000 and over, subject to the provisions of the Agreement, require the Owner's specific approval, except for emergency repairs where the Agent will communicate with the Owner as soon as possible. Purchase contracts in excess of $5,000 must be put out for bid. Solvency requirements and cash flow payments shall be determined as outlined in the Agreement. CRA payments shall be made by Owner pursuant to the CRA Loan Agreements.

5) **Reporting.** The Owner shall maintain all accounting records on a computer system. Records of collections will be transmitted to the Owner and input into the computer system where a general ledger, cash receipts and disbursements records will be maintained.

   All regulatory reporting documents will be completed by Owner in conjunction with the Agent and will be based upon the requirements of the regulatory agencies. At a minimum, the Owner and/or Agent shall prepare monthly reports concerning the following:

   a) Cash status report including cash receipts, disbursements and receivables.
   b) List of accounts payable.
   c) Comparisons of actual versus budgeted operating costs.
   d) Vacancy and Delinquency Report.

   Tax credit reporting and accounting requirements shall be governed by the Agreement.

   The Owner shall deliver to the Agent a copy of all CRA and CTCAC program guidelines, with the due dates of various CRA and CTCAC documents specified by the Owner. The Owner shall also inform its auditors of all the provisions of annual audits as required by CRA CTCAC.

6) **Security Deposits.** Security deposits will be collected in an amount equal to one (1) month's rent. The Owner shall establish an interest bearing account for security deposits.

   The amount of any deductions from the security deposit will be determined by the Agent's Community Manager under guidelines established by the Agent and approved by the Owner. Security deposits may be used to pay for tenant-caused damages, lost keys or garage door remote controls, delinquent rent, late fees, legal fees, and any other reasonable expense caused directly as a result of a tenant's actions. If no charges are made against a tenant's security deposit, a tenant shall be entitled to a refund of a security deposit. Interest shall be included in such refund to the extent required so by any applicable law. Security deposit refunds will be mailed to a former resident within 21 days of departure.

   Any accrued interest on security deposits that is not required by law to be refunded will be made available for operations and repairs related to the project.

Security deposits shall be maintained in a separate account from the operating and reserve accounts. Security deposits shall be shown as liabilities on all project reports, and not included as income.

Upon vacating a unit, the Agent shall inspect the departing resident's unit to determine whether any damages were caused by the resident household while they occupied the unit. The inspection form used prior to move-in shall be used as the basis of comparison. In the event that there are tenant-caused damages, the Agent shall prepare within 21 days of the vacate date, an estimate of the cost of repairing the damages and provide the estimate to the tenant. Within 30 days of departure, the Agent shall make the necessary repairs and send the former resident an itemized list of repair costs (if any), and credit the security deposit against the cost of repairs. The Owner will send to the former resident a check for the balance of the security deposit, if any. Should the repair costs exceed the amount of the security deposit, then the Agent will send the former resident an invoice for the excessive cost of the repairs. All documentation shall be maintained by the Agent in the former tenant's file.

D. **Management Plan Updates:** The Management Plan shall be updated on the following occasions:

1) Notice of change or modification of CRA and/or CTCAC management guidelines;
2) Change or modification of Logan Property Management guidelines, which will be reviewed annually; and
3) Alteration of Alexandria Apartment Homes staffing that necessitates operating procedure revisions.

E. **Property and Liability Insurance** The Owner shall arrange for the project to be insured against loss by fire and such other hazards, casualties, liabilities and contingencies, and in such amounts and for such periods as required by the regulatory agencies.

Fire and property insurance shall be maintained for the full replacement value of the project, and 100 percent of the annual rents for the duration of the time the building remains fully or partially rentable. Casualty and liability insurance shall also be maintained. Additional insureds shall be the CRA/LA.

II. OCCUPANCY

A. Marketing Plans and Procedures

1) **Affirmative Marketing.** The Agent will be responsible for marketing and leasing the units. The rental office will be located on site and the Owner will supply all of the necessary office furniture (desk, file cabinet, chairs, etc.), and equipment (computer, calculator etc.).

Units shall be marketed in accordance with Affirmative Fair Housing marketing guidelines. All advertising for the units in Alexandria Apartment Homes shall include prominent use of Equal Housing Opportunity logos, slogans and/or statements of intent to affirmatively market the units. See affirmative marketing plan.

Outreach to the community will specifically be through community organizations, newspapers, and governmental agencies. The outreach will be citywide and reach a diverse racial, ethnic and economic mix. Advertising shall include use of newspaper advertisements, flyers to the communities, and notification of availability of rental units to public and private agencies. All advertisements will be printed in English and in Spanish and other languages as determined by mutual consent of Owner and Agent.

2) Tenant Selection. The initial rent-up shall be conducted by the Agent's personnel and supervised by the Owner. The Agent shall utilize staff members that are well trained in eligibility requirements, family composition criteria, unit size selection processes, and CRA, CTCAC and Owner-approved selection criteria. The following is a summary of tenant selection procedures:

   a) Applications will be stamped, dated and numbered as they are received, and then sorted for family size, income level, and eligibility status.
   b) Eligible applicants will be processed and selected in the order in which completed applications are received. Eligibility will be determined on stated income. If an applicant is deemed eligible on stated income then full processing is undertaken.
   c) The Agent will thoroughly review all information provided on the applicant's application. The review will include a credit check, contacting prior landlords, and verifying all information on the application.
   d) All qualified applicants that are not able to move in will be placed on a waiting list and shall receive a letter informing them of their status.
   e) Those applicants not selected for occupancy shall be provided with written notification stating the reasons for their ineligibility. Such reasons might include but are not limited to the following: over income, insufficient income (inability to pay the rent), and bad credit history. Those applicants rejected for residency shall be provided with an opportunity to appeal. The appeal process shall allow for the applicant to provide supplemental information to the application including additional third party verification and/or testimony. Applicants may be considered ineligible if any of the following conditions concerning bad credit history apply: the prospective tenant has been evicted by a court of law, particularly in the three years preceding his/her application date; the prospective tenant's credit history reveals two or more late payments of thirty days past due or more; or if the prospective tenant's credit history reveals any unpaid judgments or unpaid collection amounts.

   Eligible applicants will sign a verification form for the Agent to mail to the income provider. The forms are to be filled out by the income provider, or themselves if they are self-employed (whereupon a signed affidavit with a tax return, if any, may be requested). Landlord reference letters may also be required.

   Whenever possible, the Agent will assist applicants who have limited fluency in English by answering questions or providing forms in the native language of the applicant.

   Upon third-party verification of income, and other verifications if applicant qualifies, the applicant shall either be offered residency or their name shall be added to the waiting list and time-dated. The waiting list will be updated on a regular basis. Applicants on the waiting list will be contacted during these regular updates to see if the applicant wishes to remain on the waiting list and whether there have been any significant changes in any household situations since application for residency.

The Agent shall attempt to contact those households that have been on the waiting list for the longest period of time. If a household can not be contacted after documented attempts, the Agent shall interview the eligible households that responds to contacts, with preference being given to those households that have been on the waiting list the longest. Prospective tenants will be informed that continued income eligibility and annual income recertification will be required as a condition of occupancy. Applicants who are deemed suitable for occupancy shall have the opportunity to inspect the unit to be rented, shall sign an inspection form and a rental agreement, and shall pay the security deposit.

3) **Notification of General Population.** The general population in the greater Los Angeles area will be notified of the availability of units at Alexandria Apartment Homes essentially as noted above in Section 11 A (1). At a minimum, the project will be advertised in the area newspapers and online as identified in the affirmative marketing plan.

4) **Waiting List.** A waiting list will be maintained. Actions taken to keep the waiting list current are as described in Section II A (2) above.

5) **Pre-Occupancy Orientation.** A pre-occupancy orientation program will be provided for applicants during the interview process. If applicants are accepted, at the time of the execution of the lease and payment of security deposit, the Agent shall re-orient the households on the project The orientation shall include a full and detailed review of the project house rules, and will also include a question and answer period during which the tenants can become acquainted with each other as well as the Agent.

B. **Procedures for Determining Tenant Eligibility and for Certifying and Annually Recertifying Household Income and Size**

1) **Initial Tenant Eligibility.** Steps to determine initial income eligibility are described in Section H A (2) above.

2) **Annual Tenant Recertification.** Each household will be informed during the interview and orientation process of the requirement to have household income and composition re-certified annually.

Annual interviews with each household will be scheduled according to a recertification schedule established between the Owner and Agent. Every calendar year every household must be re-certified. The recertification procedure will begin at least 120 days prior to the required time of completion. The full re-certification process will be almost identical to the initial certification required at move in time.

3) **Procedures for Dealing with Resident Households that Become Ineligible.** Should income exceed the program limits, tenants shall be advised of their options under CRA and CTCAC program guidelines. If the household size increases beyond the maximum number allowable for the unit size, the residents shall be required to move to the next available appropriately sized unit.

4) **Tenant Occupancy Standards.** The occupancy standards for determination of a household's units size shall be as follows:

Unit Size	Minimum # in H.H.	Maximum # in H.H.
Studio	1	2
1 BR	1	3

a) **Pets:** Pets are allowed in Alexandria Apartment Homes as approved by on-site management. Approvals are based on size and breed.

b) **Permissible Absences:** Tenant families are required to occupy Alexandria Apartment Homes their primary place of residence. Absences beyond 45 days will be permitted for emergency purposes only, as long as rental payments are kept current during the absence. Requests for absences must be submitted to the Agent in writing, giving the reasons for the absence, the dates of the expected absence, and any other material circumstances that might affect the Agent's decision about the appropriateness of the absence. The tenant will be notified in writing of the decision.

c) **Tenant Incapacity:** In the event that a tenant appears to be incapacitated so as to make self care difficult, the Agent will immediately contact relatives or will contact referral agencies to assist the resident. In the event that the resident becomes so incapacitated as to be unable to care for himself/herself, the County Guardian's Office will be contacted to determine what facility the resident should be transferred to.

d) **Live-In** Attendants: Tenants with disabilities severe enough to require live-in attendants shall be required to present written certification from their physician that their disabilities require live-in care. In that event, the unit must be large enough to accommodate the attendant according to published occupancy standards. Attendants are not considered part of the family, and may not occupy the unit should the disabled family member no longer reside in the unit.

e) **Changes in Household Size (over or under occupancy):** In the event that the household wishes to add an additional person, the new member will have to be qualified to occupy the unit based on the previously described criteria. Any income of the new applicant must be included into the household's total income. If the proposed addition to the household is acceptable but results in the household no longer fitting into its current unit based on occupancy standards, the household may add its new member and move to the next available appropriately sized unit in Alexandria Apartment Homes if such addition does not result in the household exceeding the legal occupancy standards.

C. Rent Collection Policies and Procedures

1) **Rent Calculations and Collections.** The rent for each unit at the time of lease up shall be agreed to in advance between the Owner and the CRA and CTCAC. The prospective tenant household shall be informed of the rent prior to executing a lease. Annual rent increases, if any, shall be approved subject to approval by the CRA and CTCAC. Tenants shall be informed of any rent increases at least 30 days prior to their implementation.

Rent collection procedures are defined in the Management Agreement. Typically, rents shall be delivered to the Resident Manager. The Resident Manager shall provide the resident with a receipt and enter the amount paid into the monthly rent receipt journal. Rents shall be collected by the Agent and deposited into the operating account.

All rents shall be due on or before the first day of each month. Rent is considered delinquent on the sixth day of the month. Rents must be paid by check, money order, or some other secure form of payment.

2) **Actions for Late Rents.** Residents who have not paid their rent by the sixth day of the month will be served a Ten Day Notice to Pay Rent or Quit.

   Failure to pay rent will result in eviction. The Agent must consult with the Owner prior to initiating any legal action against any tenants. The Agent shall provide the attorney with copies of all documents and request that an eviction be scheduled with the court. Eviction proceedings must follow procedures outlined in the California Civil Code. The household will be charged for the cost of any legal actions the Owner incurs due to the actions of the household.

   A household may follow the procedure outlined in the Grievance and Appeal Procedures if the Owner takes action regarding the household's late or non-payment of rent.

3) **Partial Rent Payments.** Partial rent payments will not be accepted unless specific arrangements are made with the Agent in advance of the time when rent is due. Rent is due in full on the first of each month.

4) **Annual Rent Increases.** Rents shall be increased from time to time to cover the project expenses. All residents shall be given a thirty (30) day notice of any rent increases allowed pursuant to agency regulations.

5) **Recovery of Damages in Excess of Security Deposit.** The full amount of back rent and damages will first be established formally in a judicial unlawful detainer action so that Alexandria Housing Partners, LP, may claim damages as part of the court's judgment. If the damages are significant and the tenant's income is determined sufficient, a collection agency may be contacted to secure the judgment.

D. **Procedures for Appeal and Grievance**

1) **Eviction Procedures.** Residents that have violated their lease or other regulations may be given a Thirty Day Notice to vacate. Should the violation continue, the Agent will inform the Owner that they intend to initiate eviction procedures.

   Evictions for nonpayment of rent are described in Section II.0 (2) above. Eviction for nuisance shall be undertaken when there is documentable evidence (correspondence, witnesses of illegal activities, police actions, lease violations, etc.) available that the Agent and the attorney may determine to be winnable in court. Court actions typically require six to ten weeks for a decision. Fully contested evictions can take longer, and uncontested evictions, depending upon the workload of the court at the time, may take slightly less time.

   No rent will be collected during any eviction actions. If a tenant who is in the process of being evicted for nonpayment of rent desires to pay the rent in full, then the resident manager shall confer with the Agent and Owner to determine whether rent will be accepted. If rent is accepted, the tenant will be required to pay with money order or cashier's check only. If it is determined that the resident is chronically late or has a serious nonpayment problem, then the Agent has the option of foregoing the rent and continuing with the eviction if the deadline specified in the 3-day notice has already elapsed.

2) **Processing Tenant Complaints.** Written resident complaints will be responded to in writing by the Agent or Owner when possible. There will be complaint forms on site and available for resident use.

Complaints can be mailed or hand delivered to the Agent and/or the Resident Manager and can be signed or anonymous.

3) **Rules Violations.** Tenants who violate lease agreements or the project's house rules shall always be notified in writing, with a request to correct or remedy the violation. Duplicate records will be filed in the tenant's file, with any responses. If the same or other violation occurs or continues, then the tenant will be advised in writing that continued violations may result in eviction. If they still continue, the procedure described in section D (1) above for nuisance violations will be initiated.

4) **Appeals and Grievance Procedures.** Appeals and grievance procedures are attached.

E. **Plans for Enhancing Resident-Management Relations**

1) **House Rules.** House rules and regulations are shown in an attachment to the Standard Lease Agreement. These will be attached to the lease and will be reviewed with the tenants at the time of the initial interview and during orientation prior to move in.

2) **Tenant Information Sheets.** An information sheet will be completed by the Agent and Owner before the project is ready for lease up. The information will be provided to all tenants prior to move in.

3) **Emergency Procedures.** All management staff will be trained in emergency procedures and there will be regularly scheduled fire drills. In addition, an emergency procedure sheet will be developed by the Agent and will be provided to all residents upon move-in. This sheet will describe procedures to be followed in the event of fire, earthquake, or other major occurrence requiring emergency action on the part of management staff or residents. Periodic tenant meetings will be held to keep residents acquainted with emergency procedures.

III. MAINTENANCE AND SECURITY

A. **Identification of Maintenance Staff**

All routine janitorial work will be completed by the maintenance staff. Any supplemental or extraordinary janitorial work that is required will either be contracted out to a private janitorial firm or undertaken by an employee of the Agent and billed to the project. Maintenance work will also be done by an employee of the Agent and billed to the project or contracted out to a vendor or subcontractor. Outside contractors will generally be used for emergencies and unusual or specialized repairs.

Work requiring a licensed contractor such as major plumbing, electrical, or mechanical work, shall be contracted for by the Agent, according to the Management Agreement.

B. Preventive Maintenance Schedule

A preventative maintenance schedule will be prepared and updated by the Agent. The inspection forms attached will be used monthly (or as required) by the Agent to inspect the interior and the exterior of the project. Notations will be made for any areas requiring special attention. Work generated as a result of these inspections shall be carried out pursuant to Section III B. above.

The Agent will contract out for extermination and pest control services. General service will be performed once a month and for individual units on an as needed basis. A minimum of 10% of the units will be treated each month.

The exterior and interior of the building will be painted every five years or as needed. All equipment will be maintained based upon the individual equipment guidelines. There will be annual inspections of all units to determine maintenance needs. Monthly and weekly inspections of the exterior of the complex will also be conducted.

C. Tenant-Requested Maintenance

Tenants will fill out a work order form and deliver it to the Community Manager. The Manager will decide who will be assigned the work depending on the nature and scope of the work. In the event that the work will cost more than $250, the Agent's Regional Manager will approve work and expenditures. In the event that damages are tenant-caused, the tenant will be notified of the amount they will be charged for the actual cost of repairs.

D. Method of Completing Tenant Maintenance Requests

The manager shall review the requests and determine whether it requires emergency or routine attention. Emergency repairs are those which cause or may cause significant damage, or make any area unsafe or uninhabitable. Every effort will be made to correct emergency repairs within 24 hours. Exceptions to this could be when parts must be ordered to complete the service. Further provisions for repairs are outlined in the Management Agreement.

Logan Property Management
Job Description

Department: Property Management

Position: Community Manager
Updated: 8/1/06

Reports to: President

Purpose: To be responsible for the professional oversight of the day-to-day management and all phases of the operations of an affordable apartment community or portfolio.

General Job Duties:

1. To ensure requirements of all affordable housing programs and related compliance are met and maintained in a complete and accurate manner, including but not limited to monitoring the set-aside requirements, providing timely and accurate bond reporting, ensuring the certification and subsequent re-certification of all households, completing and documenting all resident verifications, preparing for and conducting program site inspections, and creating, completing, and maintaining resident files.
2. To ensure the professional leasing of apartments, including but not limited to both telephone and face-to-face sales, grounds and apartment tours, pre-qualifying of potential residents, qualifying of potential residents, completing appropriate paperwork required by management and affordable housing programs, and follow-up with potential residents and verification sources.
3. To supervise community operations and personnel, including but not limited to assisting Corporate Management in the interviewing and hiring of community associates, documenting incidents relating to possible liability for the community, completing or aiding Corporate Management in the Associate review process, providing leadership and direction to residents and Associates of the community, training Associates in community standards, policies, and procedures and ensuring compliance with same, and communicating variances verbally and/or in writing, as appropriate.
4. To provide timely and clear communication with residents, including but not limited to presenting community services, following up on issues and concerns, documenting incidents relating to possible liability for the community, providing updates and notices (including 24 hour notice for apartment inspections), and ensuring superior customer service to residents and visitors.
5. To ensure all collections are completed and deposited in a timely manner and exceptions are processed in compliance with local and managerial requirements, including but not limited to collecting rents and related charges (including late fees and assessments for damages), preparing deposits for pick-up and relating reporting to the Corporate Office, and monitoring and following up on delinquencies (including rent, utilities, etc.)
6. To accurately complete and communicate required reporting in a timely manner, including but not limited to preparing and submitting weekly occupancy and delinquency reports to the Corporate Office, completing and communicating deposit summaries, processing CAM reporting within the required

timeframe, preparing and forwarding HAP vouchers to the Corporate Office, and providing various other communications to the Corporate Office.

7. To manage adherence to the operating budget, including but not limited to contributing to budget creation, monitoring and addressing variances from budgeted amounts, communicating anticipated capital improvement needs, promoting budgetary awareness amongst community Associates, ensuring appropriate vendor relations (including with utility providers), forecasting financial changes, and reviewing and directing invoices.
8. To ensure the community is appropriately marketed and maintained to community standards, including but not limited to managing the waiting list(s), providing community outreach, communicating market changes to Corporate Management, and advising Corporate Management on advertising opportunities.
9. To ensure legal functions, especially evictions, are completed in accordance with management and local requirements, including but not limited to ensuring strict compliance with Fair Housing requirements, administering ten-day and three-day notices in strict adherence to requirements, tracking cases through the legal process and following up as needed, and communicating with attorneys and the Corporate Office appropriately.
10. To ensure the community, grounds, apartments, and common areas are maintained in a safe and marketable condition, including but not limited to processing work order requests in a timely fashion, preparing for and conducting community inspections as required, ensuring compliance with fire extinguisher inspections, inspecting and confirming market ready status of vacant apartments, monitoring various community inventories (including tools and basic supplies), and identifying possible liabilities (including condition of smoke detectors, trip hazards, etc...)
11. To perform other duties as assigned by Corporate Management.

Position Requirements:

Professional presentation, ability to prioritize, superior communication skills, problem-solving abilities, sales experience, detail-oriented, organizational ability, time management

Preferences:

Bilingual, multi-family real estate management experience, knowledge of and experience with HUD and Section 42

Associate Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Human Resources Signature: _____ Date: _____

Logan Property Management
Job Description

Department: Property Management

Position: Maintenance Supervisor
Updated: 8/1/06

Reports to: Community Manager

Purpose: To be responsible for the professional maintenance, general upkeep, and condition of a multi-family apartment community or portfolio.

General Job Duties:

1. To ensure the community, buildings, grounds, apartments, and common areas are maintained in a safe and marketable condition, including but not limited to completing work order requests in a timely fashion and in coordination with priorities determined with the Community Manager, providing on-call and emergency maintenance services, processing and communicating details of work orders, prioritizing and completing 'turn' maintenance in conjunction with the needs of the leasing efforts, assessing appropriate action for repair vs replace situations (including carpet, tile or vinyl, etc.), and proactively identifying and addressing community needs and liabilities.
2. To provide timely and clear communication with the Community Manager as appropriate, including but not limited to communicating resident issues and variances from community standards, rules, and rental agreements, identifying liabilities and options for addressing same, presenting Associate conduct and performance issues, and providing reporting as necessary (including emergency maintenance requests, incident reports, etc.)
3. To supervise community maintenance and related personnel, including but not limited to documenting incidents relating to possible liability for the community, providing leadership and direction to maintenance Associates, training maintenance Associates in community maintenance issues, standards, policies, and procedures and ensuring compliance with same, prioritizing (in conjunction with the Community Manager) work orders, 'turn' maintenance, and other maintenance needs, documenting performance of and issues with maintenance Associates, and communicating performance variances of maintenance Associates verbally and/or in writing, as appropriate.
4. To ensure community operations are conducted in a safe manner, including but not limited to identifying and addressing liabilities, ensuring safety in equipment condition and usage (including specific training, use of gloves, boots, goggles, etc.), adhering to managerial and local, State, and Federal guidelines (including OSHA), proactively addressing issues of resident safety (including lighting, lock-and-key, etc.), and monitoring hazardous conditions and/or materials and ensuring appropriate containment.
5. To implement preventative maintenance measures to ensure the long-term preservation of the community and its assets, including but not limited to administering the preventative maintenance schedule in a timely manner, and identifying and addressing potential issues in a proactive manner.
6. To maintain equipment and inventory levels in such a manner to provide efficient response to maintenance needs, including but not limited to monitoring supply

levels and maintaining appropriate quantities on-hand, completing orders as needed, and ensuring equipment is in good working condition.

7. To establish and maintain professional vendor relations, including but not limited to overseeing commercial accounts, monitoring budgetary constraints and operating within those boundaries, negotiating goods and services terms (price, quantity, timeliness, etc...), obtaining and assessing vendor bids, and coordinating, reviewing, and authorizing vendor services.
8. To provide superior customer service and professional relations with residents, including but not limited to completing work orders, and following up on outstanding items and completion satisfaction.
9. To monitor grounds upkeep and major maintenance items, including but not limited to reviewing the general upkeep of the community (including lighting), ensuring third party services are completed as agreed and to community standards, and communicating current and anticipated major maintenance needs to the Community Manager.
10. To ensure the community is prepared for various inspections, including but not limited to exterior building condition, grounds upkeep, common area status, apartment interiors availability and condition, and adherence to regulations and standards.
11. To perform other duties as assigned by Community Manager and/or Corporate Management.

Position Requirements:

Maintenance experience, professional presentation, ability to prioritize, superior communication skills, problem-solving abilities

Preferences:

Bilingual, general apartment maintenance experience, experience in plumbing, electrical, carpentry, painting, and familiarity with HVAC systems

Associate Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Human Resources Signature: _____ Date: _____

Logan Property Management
Job Description

Department: Property Management

Position: Maintenance Technician
Updated: 8/1/06

Reports to: Maintenance Supervisor
(or Community Manager if no Maintenance Supervisor in place)

Purpose: To be responsible for the maintenance, general upkeep, and condition of a multi-family apartment community.

General Job Duties:

1. To ensure the community, buildings, grounds, apartments, and common areas are maintained in a safe and marketable condition, including but not limited to completing work order requests in a timely fashion and in coordination with priorities determined with the Community Manager, providing on-call and emergency maintenance services, processing and communicating details of work orders, prioritizing and completing 'turn' maintenance in conjunction with the needs of the leasing efforts, assessing appropriate action for repair vs. replace situations (including carpet, tile or vinyl, etc.), and proactively identifying and addressing community needs and liabilities.
2. To provide timely and clear communication with the Community Manager as appropriate, including but not limited to communicating resident issues and variances from community standards, rules, and rental agreements, identifying liabilities and options for addressing same, presenting Associate conduct and performance issues, and providing reporting as necessary (including emergency maintenance requests, incident reports, etc.)
3. To supervise community maintenance, including but not limited to documenting incidents relating to possible liability for the community, and prioritizing (in conjunction with the Community Manager) work orders, 'turn' maintenance, and other maintenance needs.
4. To ensure community operations are conducted in a safe manner, including but not limited to identifying and addressing liabilities, ensuring safety in equipment condition and usage (including specific training, use of gloves, boots, goggles, etc.), adhering to managerial and local, State, and Federal guidelines (including OSHA), proactively addressing issues of resident safety (including lighting, lock-and-key, etc.), and monitoring hazardous conditions and/or materials and ensuring appropriate containment.
5. To implement preventative maintenance measures to ensure the long-term preservation of the community and its assets, including but not limited to administering the preventative maintenance schedule in a timely manner, and identifying and addressing potential issues in a proactive manner.
6. To maintain equipment and inventory levels in such a manner to provide efficient response to maintenance needs, including but not limited to monitoring supply levels and maintaining appropriate quantities on-hand, completing orders as needed, and ensuring equipment is in good working condition.
7. To establish and maintain professional vendor relations, including but not limited to overseeing commercial accounts, monitoring budgetary constraints and

operating within those boundaries, negotiating goods and services terms (price, quantity, timeliness, etc...), obtaining and assessing vendor bids, and coordinating, reviewing, and authorizing vendor services.

8. To provide superior customer service and professional relations with residents, including but not limited to completing work orders, and following up on outstanding items and completion satisfaction.
9. To monitor grounds upkeep and major maintenance items, including but not limited to reviewing the general upkeep of the community (including lighting), ensuring third party services are completed as agreed and to community standards, and communicating current and anticipated major maintenance needs to the Community Manager.
10. To ensure the community is prepared for various inspections, including but not limited to exterior building condition, grounds upkeep, common area status, apartment interiors availability and condition, and adherence to regulations and standards.
11. To perform other duties as assigned by Community Manager, Maintenance Supervisor, and/or Corporate Management.

Position Requirements:

Maintenance experience, professional presentation, ability to prioritize, superior communication skills, problem-solving abilities

Preferences:

Bilingual, general apartment maintenance experience, experience in plumbing, electrical, carpentry, painting, and familiarity with HVAC systems

Associate Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Human Resources Signature: _____ Date: _____

Logan Property Management
Job Description

Department: Property Management

Position: Occupancy Specialist
Updated: 8/1/06

Reports to: Community Manager

Purpose: To be responsible for all administrative activities relating to the rental of apartment units and the qualification of residents.

General Job Duties:

1. To ensure requirements of all affordable housing programs and related compliance are met and maintained in a complete and accurate manner, including but not limited to monitoring the set-aside requirements, providing timely and accurate bond reporting, ensuring the certification and subsequent re-certification of all households, completing and documenting all resident verifications, and creating, completing, and maintaining resident files.
2. To ensure the professional leasing of apartments, including but not limited to pre-qualifying of potential residents, qualifying of potential residents, completing appropriate paperwork required by management and affordable housing programs, and follow-up with potential residents and verification sources.
3. To provide timely and clear communication with residents, including but not limited to notification of re-certification timeframe and requirements, following up on verifications, issues and concerns, documenting variances from affordable housing requirements and incidents relating to possible liability for the community, and ensuring superior customer service to residents and visitors.
4. To accurately complete and communicate required reporting in a timely manner, including but not limited to preparing and submitting weekly occupancy and delinquency reports to the Corporate Office, preparing and forwarding HAP vouchers to the Corporate Office, and providing various other communications to the Corporate Office.
5. To ensure the community is appropriately marketed and maintained to appropriate standards, including but not limited to managing the waiting list(s), providing community outreach, communicating market changes to Corporate Management, and advising Corporate Management on advertising opportunities.
6. To ensure legal functions are completed in accordance with management and local requirements, including but not limited to ensuring strict compliance with Fair Housing requirements, tracking cases through the legal process and following up as needed, and communicating with attorneys and the Corporate Office appropriately.
7. To perform other duties as assigned by the Community Manager and/or Corporate Management.

Position Requirements:

Professional presentation, good communication skills, ability to prioritize, problem-solving abilities, detail-oriented, organizational ability

Preferences:

Bilingual, certification in and two years experience with HUD and Section 42

Associate Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Human Resources Signature: _____ Date: _____

Logan Property Management
Job Description

Department: Property Management

Position: Assistant Community Manager
Updated: 8/1/06

Reports to: Community Manager

Purpose: To assist the Community Manager in being responsible for the professional oversight of the day-to-day management and all phases of the operations of an affordable apartment community.

General Job Duties:

1. To ensure requirements of all affordable housing programs and related compliance are met and maintained in a complete and accurate manner, including but not limited to monitoring the set-aside requirements, providing timely and accurate bond reporting, ensuring the certification and subsequent re-certification of all households, completing and documenting all resident verifications, and creating, completing, and maintaining resident files.
2. To ensure the professional leasing of apartments, including but not limited to both telephone and face-to-face sales, grounds and apartment tours, pre-qualifying of potential residents, qualifying of potential residents, completing appropriate paperwork required by management and affordable housing programs, and follow-up with potential residents and verification sources.
3. To provide timely and clear communication with residents, including but not limited to presenting community services, following up on issues and concerns, documenting incidents relating to possible liability for the community, providing updates and notices (including 24 hour notice for apartment inspections), and ensuring superior customer service to residents and visitors.
4. To ensure all collections are completed and deposited in a timely manner and exceptions are processed in compliance with local and managerial requirements, including but not limited to collecting rents and related charges (including late fees and assessments for damages), preparing deposits for pick-up and relating reporting to the Corporate Office, and monitoring and following up on delinquencies (including rent, utilities, etc...)
5. To accurately complete and communicate required reporting in a timely manner, including but not limited to preparing and submitting weekly occupancy and delinquency reports to the Corporate Office, completing and communicating deposit summaries, processing CAM reporting within the required timeframe, preparing and forwarding HAP vouchers to the Corporate Office, and providing various other communications to the Corporate Office.
6. To monitor adherence to the operating budget, including but not limited to identifying and addressing variances from budgeted amounts, communicating anticipated capital improvement needs, ensuring appropriate vendor relations (including with utility providers), forecasting financial changes, and reviewing and directing invoices.
7. To ensure the community is appropriately marketed and maintained to appropriate standards, including but not limited to managing the waiting list(s), providing community outreach, communicating market changes to Corporate

Management, and advising Corporate Management on advertising opportunities.

8. To ensure legal functions, especially evictions, are completed in accordance with management and local requirements, including but not limited to ensuring strict compliance with Fair Housing requirements, administering ten-day and three-day notices in strict adherence to requirements, tracking cases through the legal process and following up as needed, and communicating with attorneys and the Corporate Office appropriately.
9. To ensure the community, grounds, apartments, and common areas are maintained in a safe and marketable condition, including but not limited to processing work order requests in a timely fashion, preparing for community inspections as required, inspecting and confirming market ready status of vacant apartments, and identifying possible liabilities (including condition of smoke detectors, trip hazards, etc...)
10. To perform other duties as assigned by the Community Manager and/or Corporate Management.

Position Requirements:

Professional presentation, ability to prioritize, superior communication skills, problem-solving abilities, sales experience, detail-oriented, organizational ability, time management

Preferences:

Bilingual, multi-family real estate management experience, knowledge of and experience with HUD and Section 42

Associate Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Human Resources Signature: _____ Date: _____

Logan Property Management
Job Description

Department: Property Management

Position: Occupancy Specialist
Updated: 8/1/06

Reports to: Community Manager

Purpose: To be responsible for all administrative activities relating to the rental of apartment units and the qualification of residents.

General Job Duties:

1. To ensure requirements of all affordable housing programs and related compliance are met and maintained in a complete and accurate manner, including but not limited to monitoring the set-aside requirements, providing timely and accurate bond reporting, ensuring the certification and subsequent re-certification of all households, completing and documenting all resident verifications, and creating, completing, and maintaining resident files.
2. To ensure the professional leasing of apartments, including but not limited to pre-qualifying of potential residents, qualifying of potential residents, completing appropriate paperwork required by management and affordable housing programs, and follow-up with potential residents and verification sources.
3. To provide timely and clear communication with residents, including but not limited to notification of re-certification timeframe and requirements, following up on verifications, issues and concerns, documenting variances from affordable housing requirements and incidents relating to possible liability for the community, and ensuring superior customer service to residents and visitors.
4. To accurately complete and communicate required reporting in a timely manner, including but not limited to preparing and submitting weekly occupancy and delinquency reports to the Corporate Office, preparing and forwarding HAP vouchers to the Corporate Office, and providing various other communications to the Corporate Office.
5. To ensure the community is appropriately marketed and maintained to appropriate standards, including but not limited to managing the waiting list(s), providing community outreach, communicating market changes to Corporate Management, and advising Corporate Management on advertising opportunities.
6. To ensure legal functions are completed in accordance with management and local requirements, including but not limited to ensuring strict compliance with Fair Housing requirements, tracking cases through the legal process and following up as needed, and communicating with attorneys and the Corporate Office appropriately.
7. To perform other duties as assigned by the Community Manager and/or Corporate Management.

Position Requirements:

Professional presentation, good communication skills, ability to prioritize, problem-solving abilities, detail-oriented, organizational ability

Preferences:

Bilingual, certification in and two years experience with HUD and Section 42

Associate Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Human Resources Signature: _____ Date: _____

LPM
LOGAN PROPERTY MANAGEMENT

GRIEVANCE PROCEDURE

I. **Types of Grievance**

Grievances include, but are not limited to the following:

- Resident dispute with another resident
- Resident dispute with the Resident Manager
- Resident dispute with the maintenance staff
- Resident dispute with maintenance charges

II. **Procedures for submitting a Grievance**

1) In all cases, a grievance must be submitted in writing and given to the Resident Manager.
2) The Resident Manager will notify the Supervisor and mail a copy of the grievance to Logan Property Management on the same day it is presented to him/her.

III. **Time Span**

1) The Resident Manager will meet with the concerned parties within three (3) working days to endeavor to resolve the grievance.
2) If a satisfactory solution is not met, the Resident Manager will notify the Supervisor, who will then meet with the Resident Manager and concerned parties within ten (10) working days to resolve the grievance.
3) If the grievance cannot be satisfactorily resolved, the Supervisor will immediately notify the President of Logan Property Management. The grievance will then be addressed and resolved by the above parties, within twenty (20) working days.

IV. **Resident Grievance with the Resident Manager**

1) Grievance will be in writing and sent to the Supervisor.
2) The Supervisor will meet with the concerned parties within ten (10) working days to resolve the grievance.
3) If the grievance cannot be satisfactorily resolved, the Supervisor will immediately notify the President of Logan Property Management. The grievance will then be addressed and resolved by the above parties within twenty (20) working days.

The resolution of all Grievances will be in writing and submitted to all concerned parties.

_____ _____

Resident Date

_____ _____

Resident Date

INVENTORY & INSPECTION CHECKLIST

Building Name: **Alexandria**

Move-In Date:

Resident Name(s):

Address: **501 S Spring St , Los Angeles, CA 90013**

Kitchen	Good	Fair	Poor	Comments on the condition of the item (please be specific) Use back of page or additional sheets as needed for details.
Floors				
Walls				
Ceiling				
Cabinets				
Stove/Oven/Broiler				
Hood, Filter Fan				
Refrigerator				
Dishwasher				
Disposal				
Lights				
Sink & Counters				
Windows/Tracks/Screens				
Doors				
Other				
Living room, Dining Area & Hallways				
Floor/Carpet				
Walls				
Ceiling				
Lights				
Drapes				
Windows/Tracks/Screens				
Fireplace				
Doors				
Other				
Bathroom(s)				
Floor				
Walls				
Ceiling				
Sink & Vanity				
Tub/Shower				
Tile/Grout				
Vent Fan				
Lights				
Towel racks/Accessories				
Cabinets				
Windows/Tracks/Screens				
Door(s)				
Other				

Bedroom(s)				
Floor/Carpet				
Walls				
Ceiling				
Lights				
Blinds/Drapes				
Windows/Tracks/Screens				
Closets				
Doors				
Other				
Miscellaneous				
Lanai/Balcony				
Storage Area				
Water Tank				
Smoke Detector				
TV Cable				
Other				

I/We have inspected the above unit prior to occupancy and accept it with the conditions noted. I/We understand that upon vacating the above unit, charges will be assessed for cleaning required. Repair

_____ _____

Date *(Agent)* *Date*

This checklist is pursuant to Washington State Landlord/Tenant Law, RCW 59.18.260. Please retain this with your rental agreement.

The Alexandria
Resident Selection Criteria

Logan Property Management, Inc., is dedicated to providing exceptional housing opportunities. Below is the Resident Selection Criteria that Logan Property Management uses to select applicants to reside in the Alexandria Apartment Homes. Logan Property Management strictly follows selection, occupancy, and required governmental regulations (including HUD and TCAC). Logan Property Management complies with Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act and the title VI of the Civil Rights Act of 1964, the California Fair Employment and Housing Act and Unruh Civil Rights Act:

A. The Section 504 of the Rehabilitation Act prohibits discrimination on the basis of disability.
B. The Fair Housing Act prohibits discrimination in housing related transactions based on race, color, religion, sex, national origin, marital status, disability, and familial status.
C. Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color or national origin.
D. The California Fair Employment and Housing Act and the Unruh Civil Rights Act prohibit discrimination on the basis of race, color, religion, sex, national origin, ancestry, familial status, disability, age*, marital status, sexual orientation, source of income, or any arbitrary basis.
E. **Alexandria Apartment Homes is an affordable housing community; occupancy is restricted by eligibility criteria.**

I. OCCUPANCY STANDARDS

Units will be occupied in accordance with the following standards:

UNIT SIZE	MINIMUM PERSONS	MAXIMUM PERSONS
Studio	1	2
1 Bedroom	1	3

II. APPLICATION PROCESS: INITIAL BUILDING LEASE-UP

- Application packages will be available and must be returned in person or by mail.
- Applications can be obtained:
  - ✓ **In person:** at 501 South Spring Street, Los Angeles, 90013; Monday through Friday 9 a.m. – 5 p.m.
  - ✓ **By mail:** by calling 213-626-7484
  - ✓ **By Internet:** by visiting www.thealexandria.net
- Alexandria Apartment Homes offers six types of residential units:
  - 30 units for tenants @ 30% AMI.
  - 100 units for tenants @ 35% AMI.
  - 57 units for tenants @ 40% AMI.
  - 34 units for tenants @ 45% AMI.
  - 29 units for tenants @ 50% AMI.
  - 211 units for tenants @ 60% AMI.
- Applications for all vacant units will be processed through a random selection method.
- All household members must be present for initial eligibility interview and any follow-up interviews.

- All adult applicants must show a valid government-issued photo ID, Birth Certificate for all household members under 18 years of age for the purposes of establishing identity. Copies of the ID and Birth Certificate will be made once the applicants have been approved for residency.
- New additions to the tenant household will be considered and screened according to the same criteria as initial household members occupying a unit after completion of initial six-month lease.
- Live-in aides will be screened for suitability for occupancy according to the same criteria applied to tenant household, except for the following: income requirements, ability to pay rent and credit history (except that an Unlawful Detainer/Eviction check will be run to check for evictions based on lease/rules violations other than non-payment of rent).

- **Special Needs Units:** To be eligible for a special needs unit, applicant must be head of household and considered developmentally and/or physically disabled per the following definitions:

    - **Developmentally Disabled:** applicant has a developmental disability specified in subdivision 4512(a) of the Welfare and Institutions Code, or a mental disorder, which would render him or her eligible to participate in programs of rehabilitation or social services conducted by or on behalf of a public agency. Per subsection 4512(a) of the Welfare and Institutions code: "Developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. As defined by the Director of Developmental Services, in consultation with the Superintendent of Public Instruction, this term shall include mental retardation, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature

    - **Physically Disabled:** applicant has an orthopedic disability impairing personal mobility or a physical disability affecting his or her ability to obtain employment, or in which a person requires special care or facilities in the home

    - Service partner agency will confirm applicant's eligibility for special needs unit and provide management agent with written confirmation of applicant's qualification. At that time, the special needs applicant will be referred to management agent to complete the standard application and verification process detailed below in this Resident Selection Criteria document.

    - These special needs referral applications will be date- and time-stamped by management agent, and processed in the order received. This referral process will continue until all of the special needs units at The Alexandria are leased. Remaining eligible applicants will be placed on the special needs waiting list.

III. APPLICATION PROCESS: ONGOING BUILDING OPERATIONS

- Interested adult applicants can inquire about vacancies and obtain applications from property management staff at property management office on-site at the Alexandria Apartment Homes or by calling management headquarters at 213-626-7484. Property management staff will give applicant tour of property and provide an application packet, including Resident Selection Criteria so applicant is aware of program requirements.
- Upon receipt of application, manager will do a "preliminary review" to check for completeness of application and will give applicant a receipt.
- Upon application approval, applicant's name will be added to the waiting list and notified of his/her place on waiting list. If application is not approved, applicant will be notified with reason for denial by phone and mail (see Section VII below).
- All applications will be date- and time-stamped and processed in the order they are received.
- Manager will inform applicant that it is his/her responsibility to inform management of any changes to applicant contact information.
- All household members must be present for initial eligibility interview and any follow-up interviews.
- All adult applicants must show a valid government-issued photo ID, Birth Certificate for all household members under 18 years of age for the purposes of establishing identity. Copies of the ID and Birth Certificate will be made once the applicants have been approved for residency.
- New additions to the tenant household will be considered and screened according to the same criteria as initial household members occupying a unit after completion of initial six-month lease.
- Live-in Aides will be screened for suitability for occupancy according to the same criteria applied to tenant household, except for the following: income requirements, ability to pay rent and credit history (except that an Unlawful Detainer/Eviction check will be run to check for evictions based on lease/rules violations other than non-payment of rent).

IV. VERIFICATION PROCESS

Household composition will be used in determining eligibility in regards to income qualification and unit utilization.

The Alexandria Apartment Homes conducts all income and personal verifications in accordance with all government regulations required, including those required by the California Tax Credit Allocation Committee and HUD's Handbook 4350.3.

A. Financial

i. All income indicated on tenant certification form will be verified.

ii. All assets, including bank accounts, will be verified.

iii. Third-party income verifications will be required from all sources, including but not limited to:

1. Employment
2. Pension
3. Disability
4. Government Assistance, A.F.D.C., etc.
5. Social Security, including Supplemental Income Assistance
6. Student Status and Financial Aid
7. Asset verifications (i.e.: checking, savings, property, stocks, bonds, annuities, IRA, etc.)

iv. Income calculations are based on the applicant's annual gross (anticipated) income for a 12-month period. Annual income also includes income earned from any and all assets.

1. Applicant must show ability to pay rent by having a minimum monthly gross income of two times the rent. Management will take into account applicant's ratio of expense to income.

B. Rental and Landlord History

To determine if an applicant will abide by all Lease and Lease Addendum Regulations, LPM will exercise its rights, including but not limited to, Section IV of TCAC's handbook and HUD's regulation 24 CFR, part 5 as follows:

1. Logan Property Management will conduct Landlord and Rental History Verifications to establish a consistent record of timely rent payments for the past two (2) years.

2. Any negative reports from current and/or previous landlords may cause an applicant to be declined.

3. A negative report is defined as: failing to honor lease agreements, failure to pay rent, a noticeable history of documented complaints from management or neighbors.

4. If applicable, applicant must provide proof of completion of a supervised drug rehabilitation program, proof that the circumstances of eviction no longer exist, and that the applicant has been sober for at least one year.

C. Credit Checks

To determine if an applicant is able to pay for rent, Logan Property Management will exercise its rights, including but not limited to, Section IV of TCAC's handbook and HUD's regulation 24 CFR, part 5 to conduct Credit Checks via a hired contractor. LPM must be able to establish past performance in meeting financial obligations for each adult member of applicant household.

1. Applicants may be declined if credit report reflects one or more of the following (totaling $2,500 or more) within the past five (5) years:
    a) Unpaid judgments.
    b) Unpaid Collections.
    c) Write offs.
    d) Unlawful Detainer/Eviction within the past five (5) years.
    e) Felonies (drug possession with intent to sell, violent acts against another person)

    Note: To be admitted with a drug criminal history, the household member must submit proof of completion of a supervised drug rehabilitation program, proof that the circumstances of eviction no longer exist, and that the applicant has been sober for at least one year.

2. If adult household member is unable to provide a social security number, then adult household member will be subject to the requirements of the attached Alternative Credit Criteria.

3. Medical expenses and student loans shall be exempt from this credit standard.

D. Criminal and Drug Background Checks

To determine if applicant would not endanger other potential or current residents, Logan Property Management will exercise its rights, including but not limited to, Section IV of TCAC's Handbook and HUD's regulation 24 CFR, part 5 to conduct Criminal and Drug Background Checks.

1. A Criminal and Drug Background Check will be conducted for every member of the household 18 years and older (including emancipated minors).

2. The Criminal and Drug Background Check will be conducted by a hired contractor and will encompass every state or county in which members of the household have resided.

3. Ineligibility will result if a Criminal and Drug Background Check reveal that a member has been convicted of a misdemeanor or felony within the past five (5) years.

   Note: To be admitted with a drug criminal history, the household member must submit proof of completion of a supervised drug rehabilitation program, proof that the circumstances of eviction no longer exist, and that the applicant has been sober for at least one year.

4. Ineligibility will result if a household member is currently engaged in any illegal activity including, but not limited to, the use or manufacture of any illegal substance.

5. Only the designated management agent will process Criminal and Drug Background Checks. Management staff will only disclose a pass or fail grade for eligibility. At no time may details of incident be disclosed to any other member of the Management Company unless the applicant appeals within 14 days of the Unable to Accommodate Notice. All criminal and/or drug findings will be locked away at management headquarters with no public access, unless applicant appeals.

In accordance with all applicable Regulatory Requirements a $30.00 fee may be charged for processing Credit, Criminal and Drug check per applicant household. If applicant withdrawals his or her application before any credit or criminal checks are conducted, the fee will be returned to the applicant. However, if applicant is processed through the background checks, all fees will be nonrefundable.

IV. SOCIAL SECURITY NUMBER DISCLOSURE

1. Applicants must disclose a social security number (SSN) for all household members. If no SSN has been assigned, household member must complete a certification that no SSN has been assigned.

2. The following documents are acceptable forms to verify SSN:
    a. Original Social Security Card
    b. Identification Card issued by a federal, state, or local agency

V. WAITING LIST

Logan Property Management applies all guidelines for waiting list management and up-keep provided under HUD's regulation 24 C.I.R 5.655.

1. When a unit becomes available, eligible applicants on waiting list will be contacted according to the order of their place on the waiting list.

2. The property management office will maintain the waiting lists, updating them every six months by sending "Waiting List Update?" cards or similar correspondence to applicants on waiting lists.

3. After the third time an applicant on the waiting list refuses a unit offered to him/her, he/she will be removed from the waiting list. if an applicant fails to respond to the manager's "Waiting List Update?" card, he/she will be removed from the waiting list. Applicant has 14 days (per request) to respond to manager's "Waiting list Update?" card request.

VI. ELIGIBILITY REQUIREMENTS

As detailed above in this Resident Selection Criteria document, an applicant's eligibility for residency at Alexandria Apartment Homes will be determined based on the following:

1. Household composition/occupancy
2. Income
3. Rental history
4. Credit & Background checks
5. Confirmation of developmental and/or physical disability (for 19 special needs units only)

VII. REJECTED APPLICANTS

A. Applicants may be rejected for any of the following:

1. Blatant disrespect, disruptive or anti-social behavior toward management, the property, or other residents exhibited by an applicant or family member any time prior to move-in (or demonstrable history of such behavior.)

2. A negative landlord or other reference, encompassing failure to comply with the lease.

3. A negative credit report totaling $2,500 or more.

4. A history of eviction (see Section III.D above).

5. Falsification or refusal to provide any information on the application or any other legally binding documents through an act of omission or fraud.

6. A negative Criminal and Drug Background Check (see Section 1II.D above).

7. Other justifiable causes, including but not limited to, failure to meet program requirements or other selection criteria.

B. Appeals for Ineligible Applicants:

1. An Unable to Accommodate Notice will be mailed to all ineligible applicants.

2. All rejected applicants will have the right to appeal the ineligibility decision or determination. Logan Property Management must receive the appeal no later than fourteen (14) days after the date of the denial letter. Appeal must be submitted in writing, with copies of any documentation that proves our decision incorrect. If rejection is due to a Criminal and Drug Background Check or Credit Check, applicant has right to ask that records be unsealed.

   Note: For example, acceptable documentation for bad debt would be a credit check from the same credit agency, showing the bad debt has been corrected, or a letter from the company that reported the bad debt was reconciled before the application process began.

3. Management staff will respond to appeal whether or not the applicant has been reinstated within five (5) working business days.

4. Reinstated applicants will remain in their original place on the waiting list.

Alternative Credit Criteria

Logan Property Management, Inc., is pleased that you have applied for residency at one of its properties. As stated in the Resident Selection Criteria, applicants must disclose a social security number. If no social security number has been assigned, the household member must complete a certification stating that no number has been assigned.

Logan Property Management must be able to establish applicants' past performance in meeting financial obligations. This is done by providing applicant's social security number to a hired contractor to process a credit report.

If the head and/or co-head member of the household (18 years or older) is unable to provide a social security number, **he/she will be required to provide two documents in the adult member's name showing accounts in good standing and/or on-time payment history for the past six months.**

The following is a list of examples of documents that may be provided:

- ❑ Letter of Credit from utility company showing account in good standing
- ❑ Letter from Telephone Company showing account in good standing.
- ❑ Retail store/revolving account statement (Sears, J.C. Penney, etc.) and letter from retail store showing account in good standing.
- ❑ Automobile loan statement and letter from financial institution showing account in good standing.
- ❑ Letter from current and/or former Landlord showing a positive rental history for the past six months, along with a copy of the executed Lease from prior landlord.
- ❑ Mortgage statement or letter showing account in good standing.
- ❑ Any other relevant credit documents or documents showing accounts in good standing and/or on-time payment history for the past six months.

Households who fail to provide required documentation will be considered ineligible.

AFFIRMATIVE FAIR HOUSING MARKETING PLAN

ALEXANDRIA APARTMENT HOMES

Alexandria Housing Partners, LP, and Logan Property Management, Inc, as owner and manager of a 463-unit affordable housing community located at 501 South Spring Street in Los Angeles, Calif., are committed to making the Alexandria Apartment Homes lease-up and application process as widely accessible to as a diverse population as possible. To achieve this objective, Logan Property Management is undertaking a variety of outreach in initiatives various forms:

- Community Outreach
- Local Nonprofit Agencies
- Neighborhood Merchants
- Advertising & Promotion

The following summarizes a current affirmative marketing and outreach plan organized into the above categories. The plans are likely to evolve and expand as we solicit suggestions and ideas from those members of the community we interact with. Logan Property Management will make every effort possible to accommodate interest from the disabled and will utilize TDD (Telecommunication for the deaf) and make TTY (Teletypewriter) communications available to persons with disabilities.

Community Outreach

Logan Property Management will make a concerted effort to introduce Alexandria Apartment Homes to community organizations and leaders that have an interest in promoting neighborhood renewal and strengthening. A representative sample of people and organizations whose involvement we intend to solicit are:

Name
Los Angeles Police Department
CRA/LA Downtown Region
Councilmember Jan Perry's Office
LAMP
Midnight Mission
Union Rescue Mission
Community Development Department
Los Angeles Housing Department
Los Angeles Public Library
Downtown Mental Health (LA County Facility)
New Image Emergency Shelter
VA Outpatient Clinic
Department of Vocational Rehabilitation

Local Non-Profit Agencies

An important component of Alexandria Apartment Homes outreach program is posting information at local non-profit agencies. In addition, Logan Property Management shall build personal relationships with directors and employees of these organizations so as to meet our objective of a widely accessible application process, which will result in a diverse applicant pool. The following is a list of our initial targets. This list will be supplemented and added to as the lease-up process gains momentum.

Name
Homeless Healthcare Los Angeles
Salvation Army Faith Harbor & Harbor Light Recovery Facilities
Downtown Women's Center
Weingart Center Association
Saint Vincent Cardinal Manning Center
AIDS Project Los Angeles
Minority AIDS Project
Chrysalis

Neighborhood Merchants

Logan Property Management will build relationships with members of the Downtown Center Business Improvement District. In addition, Logan Property Management will deliver promotional flyers to neighborhood merchants for distribution. Types of merchants include grocers, medical offices, pharmacies, dry cleaners, and many others.

Advertising & Promotion

Our initial target list of periodicals where we intend to advertise Alexandria Apartment Homes lease-up is as follows:

Periodical
Downtown News
Craig's List
LA Opinion
Penny Saver
LA Garment & Citizen
Korean Times
LA Sentinel
Chinese Daily

In addition to periodical advertising, Logan Property Management shall install large format banners on the Alexandria Apartment Homes property during construction. The banners should receive significant attention from members of the community and serve as a vehicle for building awareness.

Attachment 3 to Agreement Containing Covenants

UNITS OCCUPIED AT THE TIME OWNER ACQUIRED THE PROPERTY

(Attach list.)

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		New Move-in Information					Rent Information							Student Info	
Unit Number	No. of Bedrooms	Head of Household Name	Initial Eligibility Date	No. in Household	Gross Income	Income %	Original Tenant	Increase Rent upon renewal	Decrease Rent for CRA	Tenant Paid Rent 12/31/08	Subsidy	UA	Gross Rent	Full-Time Student Status	Units @ Acquisition
331	0	Taylor, Albert	1/1/08	1	$8,544	30%	$343			$343	$0.00	$0.00	$342.96		1
334	0	Castro, Michael	1/1/08	1	$12,253	30%	$345			$345	$0.00	$0.00	$344.96		1
335	0	Cespedes, Juan	1/1/08	1	$11,792	30%	$356			$356	$0.00	$0.00	$355.96		1
336	0	Campos, Rosa	1/1/08	1	$8,640	30%	$398			$399	$0.00	$0.00	$398.96		1
337	0	Fleming, Edward	5/10/08	1	$15,450	30%			$398	$500	$0.00	$0.00	$500.00		
340	0	Lenon Blackmon	1/108	1	$11,252	30%	$388			$388	$0.00	$0.00	$387.96		1
342	0	Posey, Arthur	1/108	1	$10,987	30%	$349			$349	$0.00	$0.00	$348.96		1
345	0	Fleet, Lorraine	5/29/08	1	$14,040	30%			$398	$570	$0.00	$0.00	$570.00		
346	0	Brinegar, Philip	1/1/08	1	$14,088	30%	$397			$397	$0.00	$0.00	$396.96		1
348	0	Kissel, Lisa	12/16/08	1	$14,620	30%			$398	$570	$0.00	$0.00	$570.00		
359	0	Eberle, Jim	1/1/08	1	$11,280	30%	$380			$380	$0.00	$0.00	$379.96		1
362	0	Bell, Joseph	1/1/08	1	$11,541	30%	$344			$344	$0.00	$0.00	$343.96		1
365	0	Schaub, Lori	1/1/08	1	$5,098	30%			$398	$700	$0.00	$0.00	$700.00		
402	0	Mays, Fannie	1/1/08	1	$11,539	30%	$388			$388	$0.00	$0.00	$387.96		1
404	0	Ha-Kohain, Anna	1/1/08	1	$11,539	30%	$351			$351	$0.00	$0.00	$350.96		1
406	0	Smith, Patricia	1/1/08	1	$11,539	30%	$349			$349	$0.00	$0.00	$348.96		1
407	0	Csep, Ronald	1/1/08	1	$11,787	30%	$371			$371	$0.00	$0.00	$370.96		1
409	1	Rice, Timothy	12/31/08	1	$12,839	30%			$426	$852	$0.00	$0.00	$852.00		
411	0	Garner, Jacobey	11/6/08	1	$10,441	30%			$398	$400	$0.00	$0.00	$400.00		0
412	0	Badgett, Kathryn	12/30/08	1	$12,455	30%			$398	$670	$0.00	$0.00	$670.00		
414	0	McDonald, Howard	1/1/08	1	$11,791	30%	$342			$342	$0.00	$0.00	$341.96		1
415	0	Lee, Ronald	1/1/08	1		30%	$355			$355	$0.00	$0.00	$354.96		1
416	0	Charles, Neal	1/1/08	1	$10,386	30%	$350			$350	$0.00	$0.00	$349.96		1
417	0	Bourque, Donald	1/1/08	1	$13,624	30%	$349			$349	$0.00	$0.00	$348.96		1
424	0	Willis, Marcus	1/1/08	1	$9,488	30%	$362			$362	$0.00	$0.00	$361.96		1
426	0	Hentschel, Daniel	3/29/08	1	$14,994	30%			$398	$777	$0.00	$0.00	$777.00		
429	0	Sanico, Cynthia	1/1/08	1	$10,152	30%	$0		$398	$591	$0.00	$0.00	$590.96		1
430	0	Henshew, Emmanuel	1/1/08	1	$14,904	30%			$398	$650	$0.00	$0.00	$650.00		
431	0	Cokolow, Terry	1/1/08	1	$7,020	30%	$388			$388	$0.00	$0.00	$387.81		1
432	0	Bond, James	1/1/08	1	$10,633	30%	$372			$372	$0.00	$0.00	$371.96		1
435	0	Willim, Carl	1/1/08	1	$11,400	30%	$349			$349	$0.00	$0.00	$349.06		1

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Unit Number	No. of Bedrooms	Head of Household Name	Initial Eligibility Date	No. in Household	Gross Income	Income %	Original Tenant	Increase Rent upon renewal	Decrease Rent for CRA	Tenant Paid Rent 12/31/08	Subsidy	UA	Gross Rent	Full-Time Student Status	Units @ Acquisition
436	0	Pinero, Robert	11/26/08	1	$11,060	30%			$398	$570	$0.00	$0.00	$570.00		
437	0	Griffin, Daniel	1/1/08	1	$13,837	30%	$0		$398	$603	$0.00	$0.00	$602.96		1
438	0	Jamar Raez	1/1/08	1	$10,800	30%			$398	$832	$0.00	$0.00	$832.04		
439	0	Minor, Cherry	1/1/08	1	$10,059	30%	$383			$383	$0.00	$0.00	$382.96		1
441	0	Mack, Preyer	1/1/08	1	$11,539	30%	$342			$342	$0.00	$0.00	$341.96		1
442	0	Sem, Abebe	1/1/08	1	$11,453	30%	$311			$311	$0.00	$0.00	$310.96		1
443	0	Channey, Samuel	1/1/08	1	$11,539	30%	$0		$398	$507	$0.00	$0.00	$506.96		1
444	0	Johnson, Albert	1/1/08	1	$11,539	30%	$0		$398	$423	$0.00	$0.00	$422.96		1
446	0	Eiko, Yoshi	1/1/08	1	$15,887	30%	$363			$363	$0.00	$0.00	$362.96		1
447	0	Gregory, Dominique	12/24/08	2	$17,344	30%			$398	$670	$0.00	$0.00	$670.00		
448	0	Corwin, David	12/17/08	1	$12,833	30%	$0		$398	$570	$0.00	$0.00	$570.00		1
449	0	Harvey, Michelle	1/1/08	1	$11,306	30%	$367			$367	$0.00	$0.00	$366.96		1
450	0	Akison, Terry	1/1/08	1	$11,539	30%	$0		$398	$507	$0.00	$0.00	$506.96		1
451	0	Reynolds, Jane	1/1/08	1	$14,319	30%	$0		$398	$465	$0.00	$0.00	$464.96		1
454	0	Washington, George	1/1/08	2	$10,508	30%	$0		$398	$463	$0.00	$0.00	$462.96		1
457	0	Gist, Robin	1/1/08	1	$10,481	30%	$0		$398	$483	$0.00	$0.00	$482.96		1
458	0	Malone, Steven	1/1/08	1	$12,000	30%	$395			$395	$0.00	$0.00	$394.96		1
459	0	Roberson, Ruby	1/1/08	1	$11,796	30%	$354			$354	$0.00	$0.00	$353.96		1
461	0	Tieng, Violeta	1/1/08	1	$11,539	30%	$381			$381	$0.00	$0.00	$380.96		1
462	0	Lazard, Robert	1/1/08	1	$10,385	30%	$0		$398	$416	$0.00	$0.00	$415.96		1
463	0	Gatlin, George	1/1/08	1	$10,760	30%	$297			$297	$0.00	$0.00	$296.96		1
465	0	Ucker, Elyse	1/1/08	1	$14,769	30%		$398		$344	$0.00	$0.00	$343.96		
500	0	Brown, Steven	1/1/08	1	$13,596	30%	$0		$398	$408	$0.00	$0.00	$407.96		1
501	0	Price, Tedorsha	12/31/08	1	$13,481	30%			$398	$796	$0.00	$0.00	$796.00		
502	0	Ward, Andorra	1/1/08	1	$5,400	30%	$349			$349	$0.00	$0.00	$348.96		1
504	0	Collins, Melvin	1/1/08	1	$13,916	30%	$391			$391	$0.00	$0.00	$390.96		1
505	0	Bailey, Charles	1/1/08	1	$12,000	30%	$603			$603	$0.00	$0.00	$602.95		1
507	0	Wetzel, Curt	1/1/08	1	$15,340	30%	$388			$388	$0.00	$0.00	$387.96		1
508	0	Wilfong, Richard	1/1/08	1	$11,540	30%	$350			$350	$0.00	$0.00	$349.96		1
509	0	Mejia, Alfred	1/1/08	1	$11,792	30%	$342			$342	$0.00	$0.00	$341.96		1
511	0	Gardner, William	11/26/08	1	$11,698	30%			$398	$400	$0.00	$0.00	$400.00		

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512	0	Ellis, Howard	1/1/08	1	$11,795	30%	$345			$345	$0.00	$0.00	$344.96		1
514	0	Mathis, Ronald	1/1/08	1	$11,728	30%	$343			$343	$0.00	$0.00	$342.96		1
515	0	Rickens, Earnest	12/19/08	1	$11,678	30%			$398	$400	$0.00	$0.00	$400.00		
516	0	Campbell, Ben	1/1/08	1	$10,924	30%	$344			$344	$0.00	$0.00	$343.96		1
517	0	Ortega, Francisco	6/10/08	1	$10,792	30%			$398	$570	$0.00	$0.00	$570.00		
519	0	Dragan, Jelich	1/1/08	1	$10,763	30%	$0		$398	$463	$0.00	$0.00	$462.96		1
524	0	Collins, Loretto	9/11/08	1	$10,441	30%			$398	$400	$0.00	$0.00	$400.00		
527	0	Hernandez, Araceli	12/31/08	1	$11,700	30%			$398	$796	$0.00	$0.00	$796.00		
529	0	Tabom, William	1/1/08	1	$11,789	30%	$351			$351	$0.00	$0.00	$350.96		1
531	0	Primitivo Caballero	1/1/08	1	$11,539	30%	$335			$335	$0.00	$0.00	$334.96		1
536	0	Nancy Sirola	1/1/08	1	$7,320	30%	$337			$337	$0.00	$0.00	$336.96		1
539	0	McCorkendale, Allen	1/1/08	1	$13,833	30%	$383			$383	$0.00	$0.00	$382.96		1
540	0	Meyer, Harvey	1/1/08	1	$11,070	30%			$398	$399	$0.00	$0.00	$398.96		
541	0	Wood, Nancy	1/1/08	1	$11,539	30%	$0		$398	$603	$0.00	$0.00	$602.96		1
542	0	Choza, Rafael	1/1/08	1	$11,790	30%	$325			$325	$0.00	$0.00	$324.96		1
546	0	Riley, Odell	1/1/08	1	$11,539	30%	$388			$388	$0.00	$0.00	$387.96		1
548	0	Fox, Jerry	1/1/08	1	$11,539	30%	$388			$388	$0.00	$0.00	$387.96		1
550	0	Osake, Shigeko	1/1/08	1	$11,797	30%	$0		$398	$416	$0.00	$0.00	$415.96		1
551	0	Perez, Jerry	1/1/08	1	$11,539	30%	$0		$398	$563	$0.00	$0.00	$562.96		1
553	0	Corsay, William	1/1/08	1	$9,170	30%	$0		$398	$478	$0.00	$0.00	$477.96		1
557	0	Lopez, Joe	1/1/08	1	$11,793	30%	$355			$355	$0.00	$0.00	$354.96		1
558	0	Cuen, Isabel	1/1/08	1	$11,792	30%	$277			$277	$0.00	$0.00	$276.96		1
559	0	Cruz, Angel	1/1/08	1	$11,789	30%	$0		$398	$507	$0.00	$0.00	$506.96		1
561	0	Matlock, Jeffrey	1/1/08	1	$4,492	30%	$315			$315	$0.00	$0.00	$314.96		1
563	0	McKenna, Hugh	1/1/08	1	$11,539	30%	$355			$355	$0.00	$0.00	$354.96		1
564	0	Bouvia, Roger	1/1/08	1	$12,054	30%	$0		$398	$507	$0.00	$0.00	$506.96		1
566	0	Zepeda, Jorge	1/1/08	1	$11,539	30%	$0		$398	$499	$0.00	$0.00	$498.96		0
602	0	Velez, Richard	1/1/08	1	$9,711	30%	$0		$398	$796	$0.00	$0.00	$796.00		1
605	0	Hoyt, Stephen	1/1/08	1	$10,079	30%	$349			$349	$0.00	$0.00	$348.96		1
608	0	Noel, Arthur	1/1/08	1	$11,787	30%			$398	$603	$0.00	$0.00	$602.96		
610	0	Redel, Burt	1/1/08	1	$9,457	30%	$355			$355	$0.00	$0.00	$354.96		1

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611	0	Fahning, David	1/1/08	1	$9,000	30%	$0		$398	$463	$0.00	$0.00	$462.96		1
615	0	Johnson-Pryor, Marlon	10/29/08	1	$11,578	30%			$398	$400	$0.00	$0.00	$400.00		
616	0	Canady, James	1/1/08	1	$11,708	30%	$0		$398	$422	$0.00	$0.00	$422.46		1
618	0	Ha, Phong	1/1/08	1	$11,796	30%	$333			$333	$0.00	$0.00	$332.96		1
619	0	Diaz, Lucia	1/1/08	1	$11,539	30%	$337			$337	$0.00	$0.00	$336.96		1
621	0	Fannie, Mays	1/1/08	1	$11,793	30%	$361			$361	$0.00	$0.00	$360.96		1
630	0	Sohn, Daniel	6/13/08	1	$15,847	30%			$398	$670	$0.00	$0.00	$670.00		
631	0	Horton, Margaret	1/1/08	1	$11,539	30%	$371			$371	$0.00	$0.00	$370.96		1
633	0	Russell, Brent	4/24/08	1	$13,202	30%			$398	$570	$0.00	$0.00	$570.00		1
634	0	Torres, Esteban L	1/1/08	1	$14,300	30%	$483		$398	$483	$0.00	$0.00	$482.96		1
636	0	Glenn, Willie Jr	1/1/08	1	$10,920	30%	$344		$398	$561	$0.00	$0.00	$560.96		1
637	0	Rinky, Dock	1/1/08	1	$10,920	30%	$423			$344	$0.00	$0.00	$344.00		1
640	0	Lopez, Concepcion	1/1/08	3	$20,215	30%	$0		$398	$591	$0.00	$0.00	$590.96		1
641	0	McBride, Theodore Jr	1/1/08	1	$11,186	30%	$0		$398	$507	$0.00	$0.00	$506.96		1
642	0	Young, Clarence	1/1/08	1	$11,785	30%	$358			$358	$0.00	$0.00	$357.96		1
644	0	Hunter, Joseph	1/1/08	1	$11,552	30%	$343			$343	$0.00	$0.00	$342.96		1
645	0	Parker, Terrance L	1/1/08	1	$10,508	30%	$0		$398	$507	$0.00	$0.00	$506.96		1
646	0	Shipley, Morton	1/1/08	1	$11,539	30%	$344			$344	$0.00	$0.00	$343.96		1
647	0	Altamirano, Robert	12/23/08	1	$14,072	30%			$398	$670	$0.00	$0.00	$670.00		
648	0	Romo, Celia	12/31/08	1	$8,175	30%			$398	$570	$0.00	$0.00	$570.00		
655	1	Woods, Leonard	1/1/08	1	$9,000	30%			$426	$559	$0.00	$0.00	$558.96		
657	0	Woods, Leonard	1/1/08			30%	$299			$0	$0.00	$0.00	$0.00		1
663	0	Thomas, Silvia	1/1/08	1	$11,796	30%	$0		$398	$423	$0.00	$0.00	$422.96		1
667	0	Svenson, Oliver	12/31/08	1	$15,039	30%			$398	$796	$0.00	$0.00	$796.00		
703	0	Labarblera, Carol	1/1/08	1	$10,386	30%	$357			$357	$0.00	$0.00	$356.96		1
704	0	Eric Dahl	1/1/08	1	$11,795	30%	$388			$388	$0.00	$0.00	$387.96		1
706	0	Washington, John	11/10/08	1	$7,892	30%			$398	$399	$0.00	$0.00	$399.00		
707	0	Brandon, Wardlow	1/1/08	1	$13,200	30%	$388			$388	$0.00	$0.00	$387.81		1
708	0	Beda, Lawrence	1/1/08	1	$11,302	30%	$347			$347	$0.00	$0.00	$346.96		1
710	0	Perez, Supira	1/1/08	1	$11,280	30%	$361			$361	$0.00	$0.00	$360.96		1
711	0	Willard, Cheryl	10/17/08	1	$10,440	30%			$398	$400	$0.00	$0.00	$400.00		

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712	0	Dibert, Nancy	1/1/08	1	$14,447	30%	$0		$398	$483	$0.00	$0.00	$482.96		1
718	0	Velez, Loga I	1/1/08	1	$11,280	30%	$361			$361	$0.00	$0.00	$360.96		1
719	0	Konrad, Ronald	1/1/08	1	$10,508	30%	$319			$319	$0.00	$0.00	$318.96		1
724	0	Miller, Kenneth	9/29/08	1	$11,448	30%			$398	$400	$0.00	$0.00	$400.00		
730	0	Duran, David	12/1/08	1	$14,940	30%			$398	$670	$0.00	$0.00	$670.00		
731	0	Butler, William	6/2/08	1	$15,806	30%			$398	$670	$0.00	$0.00	$670.00		
737	0	Plank, Charles R	1/1/08	1	$10,603	30%	$370			$370	$0.00	$0.00	$369.96		1
738	0	Soto, Daniel U	1/1/08	1	$11,182	30%	$351			$351	$0.00	$0.00	$350.96		1
741	1	Toliver, Princilla	12/29/08	3	$18,683	30%			$426	$852	$0.00	$0.00	$852.00		
743	1	McGowan, Samuel	11/26/08	1	$11,858	30%			$426	$852	$0.00	$0.00	$852.00		
746	0	Durden, Timothy	1/1/08	1	$11,700	30%	$0		$398	$570	$0.00	$0.00	$570.00		1
749	0	Torres, Albert	1/1/08	1	$7,452	30%	$381			$381	$0.00	$0.00	$380.96		1
752	1	Whitmore, Jeanette	7/2/08	1	$10,440	30%	$0	$426		$247	$585.00	$0.00	$247.00		0
753	1	Caldwell, Marc	1/1/08	1	$2,080	30%			$426	$832	$0.00	$0.00	$832.00		
762	0	Boles, MaryAnne	1/1/08	1	$10,574	30%			$398	$480	$0.00	$0.00	$480.00		
764	0	Sheldon, Mitchell	4/22/08	1	$15,600	30%			$398	$670	$0.00	$0.00	$670.00		
800	0	Rowe, Barbara	1/1/08	1	$11,622	30%			$398	$498	$0.00	$0.00	$498.00		1
810	0	Cartwright, Dorothy	11/24/08	1	$14,560	30%			$398	$570	$0.00	$0.00	$570.00		
812	0	Obrien, Ray	1/1/08	1	$0	30%	$347			$347	$0.00	$0.00	$346.89		1
814	0	Medina, Ruben	1/1/08	1	$10,920	30%	$337			$337	$0.00	$0.00	$336.96		1
817	0	Richard, Venus	12/30/08	2	$11,392	30%			$398	$450	$0.00	$0.00	$450.00		
827	0	Quintana, Hilda	1/1/08	1	$11,539	30%	$0		$398	$487	$0.00	$0.00	$486.96		1
831	0	Steiner, William	1/1/08	1	$10,762	30%	$310			$310		$0.00	$310.00		1
833	0	Bermudez, April	8/14/08	1	$13,691	30%			$398	$570	$0.00	$0.00	$570.00		
836	0	Haffner, Theresa	1/1/08	1	$11,539	30%	$388			$388	$0.00	$0.00	$387.96		1
837	0	Magil, Katheryn	1/1/08	1	$11,543	30%	$0		$398	$703	$0.00	$0.00	$702.96		0
843	1	Newton, Katheleen	1/1/08	1	$7,008	30%	$396			$396	$0.00	$0.00	$395.96		1
849	0	Munsford, Henri	1/1/08	1	$11,539	30%	$311			$311	$0.00	$0.00	$310.96		1
858	0	Jenskins, Mike	1/1/08	1	$11,539	30%			$398	$703	$0.00	$0.00	$702.96		1
860	0	Nance, Wellon	9/11/08	1	$14,400	30%			$398	$570	$0.00	$0.00	$570.00		
862	0	Holliday, Jason	7/31/08	1	$10,691	30%			$398	$570	$0.00	$0.00	$570.00		

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865	0	Butler, Ramon	1/1/08	1	$14,769	30%	$344			$344	$0.00	$0.00	$344.10		1
902	0	MacDonald, Amy	1/1/08	1	$14,343	30%			$398	$650	$0.00	$0.00	$650.00		
911	0	Trice, Demetri	1/1/08	1	$10,756	30%			$398	$480	$0.00	$0.00	$480.00		
915	0	Walker, Jerome	9/30/08	1	$11,172	30%			$398	$400	$0.00	$0.00	$400.00		
917	0	Howard, Israel	12/30/08	1	$13,610	30%			$398	$450	$0.00	$0.00	$450.00		
920	0	Nguyen, Manh	10/15/08	1	$10,925	30%			$398	$400	$0.00	$0.00	$400.00		
922	0	Krueger, Megan	12/28/08	2	$13,008	30%			$398	$670	$0.00	$0.00	$670.00		
927	0	Thompson, Sharla/ Petrus	12/1/08	2	$15,600	30%			$398	$570	$0.00	$0.00	$570.00		
1002	0	Brande, Clifford	1/1/08	1	$14,533	30%	$372			$372	$0.00	$0.00	$371.96		1
1011	0	Nguyen, Hung	11/5/08	1	$11,266	30%			$398	$400	$0.00	$0.00	$400.00		
1015	0	Davis, Erica	9/9/08	1	$15,400	30%			$398	$400	$0.00	$0.00	$400.00		
1016	0	Stewart, Samuel	1/1/08	1	$11,539	30%			$398	$507	$0.00	$0.00	$506.96		
1017	0	Gallardo, Victoria	12/27/08	1	$12,490	30%			$398	$450	$0.00	$0.00	$450.00		
1020	0	Giles, Jasmine	8/7/08	1	$14,000	30%			$398	$400	$0.00	$0.00	$400.00		
1023	0	Ellis, Sandra	12/22/08	1	$12,144	30%			$398	$570	$0.00	$0.00	$570.00		
1024	0	Teofilo, Ioane	11/21/08	1	$10,440	30%			$398	$400	$0.00	$0.00	$400.00		
1102	0	Echegoyen, Daniel		1	$6,852	30%	$350			$350	$0.00	$0.00	$349.99		1
1109	0	McClellard, Laura	12/23/08	1	$12,057	30%			$398	$570	$0.00	$0.00	$570.00		
1115	0	Baca, Daniel	10/25/08	1	$13,000	30%			$398	$400	$0.00	$0.00	$400.00		
1117	0	Alcala, Ashley	12/24/08	2	$15,005	30%			$398	$450	$0.00	$0.00	$450.00		
1119	0	Emmerich, Glenn	1/1/08	1	$11,786	30%	$0		$398	$483	$0.00	$0.00	$482.96		1
1120	0	Oliver, Hiawatha	9/3/08	1	$12,912	30%			$398	$400	$0.00	$0.00	$400.00		
1124	0	Strange, Lavinclas	8/12/08	2	$11,808	30%			$398	$400	$0.00	$0.00	$400.00		
1126	0	Arguello, Blanca	1/1/08	1	$15,000	30%			$398	$600	$0.00	$0.00	$600.00		
1127	0	Moody, Kevin	11/22/08	1	$13,531	30%			$398	$570	$0.00	$0.00	$570.00		
1200	0	Francis, Jaren		1	$13,269	30%			$398	$650	$0.00	$0.00	$650.00		0
1201	0	Stettner, Bernard	1/1/08	1	$11,771	30%	$391			$391	$0.00	$0.00	$390.96		1
1215	0	Auld, Laura	1/1/08	1	$6,932	30%	$361			$361	$0.00	$0.00	$360.96		1
1216	0	Vinogradova, Irina	9/2/08	1	$12,588	30%			$398	$400	$0.00	$0.00	$400.00		
321	1	Edwards, Krystal	12/19/2008	1	$18,000	35%			$497	$852	$0.00	$0.00	$852.00		
339	0	Ruiz, Frank	1/1/08	1	$16,694	35%	$340			$340	$0.00	$0.00	$339.96		1

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347	0	Ajmera, Punita	12/15/08	1	$18,465	35%			$464	$670	$0.00	$0.00	$670.00		
354	0	Visio, Arlene	1/1/2008	2	$20,515	35%			$464	$777	$0.00	$0.00	$777.00		
400	0	Thurman, Kasay	12/29/08	1	$16,172	35%			$464	$670	$0.00	$0.00	$670.00		
401	0	Gonzalez, Pauline	1/1/08	2	$18,438	35%	$0		$464	$507	$0.00	$0.00	$506.96		1
405	0	Henderson, Raymond	1/1/08	1	$16,598	35%			$464	$777	$0.00	$0.00	$777.00		1
410	0	Whitner, Joseph	1/1/08	1	$17,280	35%	$0		$464	$483	$0.00	$0.00	$482.96		1
419	0	Cooper, Scott	12/30/08	1	$16,896	35%			$464	$670	$0.00	$0.00	$670.00		
425	0	Lynn, Sherry/ Rodriguez	12/31/08	2	$20,432	35%			$464	$796	$0.00	$0.00	$796.00		
433	0	Marshall, Robert	3/15/08	1	$16,576	35%			$464	$650	$0.00	$0.00	$650.00		
434	0	Ayers, Chamelva	12/13/08	1	$17,680	35%			$464	$570	$0.00	$0.00	$570.00		
452	0	Reese, Dionne & Eleanor	1/1/08	2	$18,988	35%	$463			$463	$0.00	$0.00	$462.96		1
526	0	Mohr, Sara	9/16/08	1	$18,000	35%			$464	$796	$0.00	$0.00	$796.00		
554	0	Yager, Jamie	11/25/08	2	$21,050	35%			$464	$796	$0.00	$0.00	$796.00		
560	0	Calloway, Dian	11/26/08	1	$16,372	35%			$464	$570	$0.00	$0.00	$570.00		
604	0	Hudson, Cierra	12/20/08	1	$17,730	35%			$464	$796	$0.00	$0.00	$796.00		
606	0	Lewis, Richard	1/1/08	1	$17,620	35%	$362			$362	$0.00	$0.00	$361.96		1
625	0	Ely, Kathryn	12/28/08	1	$16,800	35%			$464	$796	$0.00	$0.00	$796.00		
627	0	Santos, Sandra	1/1/08	1	$16,086	35%		$464		$303	$0.00	$0.00	$302.96		0
632	0	Grasshoff, Michael	1/1/08	1	$16,122	35%	$463			$463	$0.00	$0.00	$462.96		1
638	0	Mason, Kimberly	1/1/08	1	$16,502	35%			$464	$603	$0.00	$0.00	$602.96		0
652	0	Estrada, Derrick	12/29/08	1	$18,000	35%	$0		$464	$670	$0.00	$0.00	$670.00		1
658	0	Garza, Crispin	1/1/08	1	$16,281	35%	$367			$367	$0.00	$0.00	$366.96		1
659	0	Clements, Carrie	7/24/08	1	$18,200	35%			$464	$670	$0.00	$0.00	$670.00		
716	0	Johnston, Riannon	7/28/08	1	$18,000	35%		$464		$400	$0.00	$0.00	$400.00		
726	0	Vento, Aldo	7/28/08	1	$16,800	35%			$464	$796	$0.00	$0.00	$796.00		
750	0	Lake, Monet	5/10/08	2	$19,312	35%			$464	$670	$0.00	$0.00	$670.00		
751	0	Flowers, Matthew	7/24/08	1	$18,200	35%			$464	$570	$0.00	$0.00	$570.00		
766	0	Berhardt, Jeffrey	1/1/08	1	$16,405	35%	$463			$463	$0.00	$0.00	$462.91		1
811	0	Howard, Curtis	10/31/08	1	$17,680	35%		$464		$400	$0.00	$0.00	$400.00		
816	0	Santiago, Carmen	7/28/08	1	$17,394	35%		$464		$400	$0.00	$0.00	$400.00		
835	0	Rawls, Katrina	11/24/08	1	$16,178	35%			$464	$570	$0.00	$0.00	$570.00		

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839	1	Shurman, Isabelle	12/30/08	3	$22,733	35%			$497	$852	$0.00	$0.00	$852.00		
840	1	Christine Pelayo	4/14/08	1	$18,044	35%			$497	$832	$0.00	$0.00	$832.00		
844	0	Counts, Sharon	9/27/08	1	$16,328	35%			$464	$570	$0.00	$0.00	$570.00		
846	0	Henderson, David	10/31/08	1	$16,354	35%			$464	$570	$0.00	$0.00	$570.00		
847	0	Desimone, Nick	12/12/08	1	$18,000	35%			$464	$670	$0.00	$0.00	$670.00		
857	0	Pool, Manuel	6/30/08	1	$16,998	35%			$464	$670	$0.00	$0.00	$670.00		
859	0	Carruthers, Nina	11/21/08	2	$19,574	35%			$464	$670	$0.00	$0.00	$670.00		
1009	0	Smith, Jonathan	12/23/08	1	$16,590	35%			$464	$570	$0.00	$0.00	$570.00		
1012	0	Axelsen, Olaf	10/22/08	1	$16,614	35%			$464	$670	$0.00	$0.00	$670.00		
1018	0	Neal, Adrich	9/20/08	1	$16,030	35%		$464		$400	$0.00	$0.00	$400.00		
1025	0	Haile, Kanesha	12/29/08	1	$16,682	35%			$464	$796	$0.00	$0.00	$796.00		
1103	0	Stewart, Cornell	1/1/08	1	$18,084	35%		$464		$796	$0.00	$0.00	$796.00		
1108	0	Valencia, Julie	10/20/08	1	$18,470	35%		$464		$400	$0.00	$0.00	$400.00		
1123	0	Jones, Coveto	11/25/08	2	$21,046	35%			$464	$570	$0.00	$0.00	$570.00		
1210	0	Johnson, Jena	11/26/08	1	$17,623	35%			$464	$570	$0.00	$0.00	$570.00		
322	0	Pugh, Damien	1/1/08	1	$19,500	40%			$531	$650	$0.00	$0.00	$650.00		
333	0	Clark, Ernest	1/1/08	1	$20,914	40%	$347			$347	$0.00	$0.00	$346.96		1
353	0	Gelakoska, Veronica	1/1/08	1	$20,824	40%			$531	$750	$0.00	$0.00	$750.00		
503	0	Divins, Grant	1/1/08	1	$19,474	40%	$0			$664	$0.00	$0.00	$663.96		1
510	0	Brandner, Shawn	1/1/08	1	$18,824	40%	$507			$507	$0.00	$0.00	$506.96		1
530	0	Prumatico, Jason	12/29/08	1	$20,110	40%	$0		$531	$670	$0.00	$0.00	$670.00		0
535	0	Thatcher, Janet	12/17/08	1	$20,616	40%			$531	$570	$0.00	$0.00	$570.00		
562	0	Purvis, Anthony	11/25/08	1	$18,895	40%			$531	$570	$0.00	$0.00	$570.00		
609	0	Banja, Alexandria	12/16/08	1	$19,760	40%			$531	$570	$0.00	$0.00	$570.00		
614	0	Hernandez, Efran	1/1/08	1	$20,803	40%	$483			$483	$0.00	$0.00	$482.96		1
629	0	Cline, Concordia	1/1/08	1	$20,800	40%	$367			$367	$0.00	$0.00	$366.96		1
635	0	Perdomo, Cruz	12/19/08	1	$21,060	40%			$531	$570	$0.00	$0.00	$570.00		
639	0	Sogg, Robert/ Barron, Pat	1/1/08	2	$23,215	40%	$0		$531	$543	$0.00	$0.00	$543.46		1
662	0	Hernandes, Maryanne	1/1/08	1	$20,807	40%			$531	$650	$0.00	$0.00	$650.00		
700	0	Godfrey, Lindsey	9/29/08	1	$20,260	40%			$531	$796	$0.00	$0.00	$796.00		
714	0	Clark, Cynthia	12/30/08	1	$19,728	40%			$531	$670	$0.00	$0.00	$670.00		

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715	0	Tatum, Jasmine	11/24/08	2	$23,865	40%		$531		$400	$0.00	$0.00	$400.00		
717	0	Walker, Kevin	1/1/08	1	$19,525	40%	$319			$319	$0.00	$0.00	$318.96		1
735	0	Rivera, Rosa	6/27/08	1	$19,110	40%			$531	$570	$0.00	$0.00	$570.00		
740	1	Warren, Tiffany	6/30/08	2	$22,760	40%			$568	$852		$0.00	$852.00		
742	1	Lemus, Jennifer	11/10/08	3	$24,708	40%			$568	$852	$0.00	$0.00	$852.00		
747	0	Britz, David	5/19/08	1	$20,001	40%			$531	$670	$0.00	$0.00	$670.00		
759	0	Gonzalez, Joseph	5/1/08	1	$18,720	40%			$531	$796	$0.00	$0.00	$796.00		
763	0	Hughey, Meredith	3/31/08	1	$21,000	40%			$531	$650	$0.00	$0.00	$650.00		
765	0	Contreras, Armando	6/3/08	1	$19,215	40%			$531	$650	$0.00	$0.00	$650.00		
801	0	Plummer, Zshatwa	12/30/08	1	$20,202	40%			$531	$796	$0.00	$0.00	$796.00		
808	0	Alspuro, Juan	1/1/08	1	$19,200	40%	$348			$348	$0.00	$0.00	$347.96		1
809	0	Shaw, Temecca	11/24/08	1	$20,400	40%	$0		$531	$570	$0.00	$0.00	$570.00		0
815	0	Freeman, Krystle	10/14/08	1	$18,660	40%		$531		$400	$0.00	$0.00	$400.00		
819	0	Gardner, Vessie/ Robles	11/26/08	2	$22,848	40%			$531	$670	$0.00	$0.00	$670.00		
834	0	Klonaridas, Robert	11/26/08	1	$18,730	40%			$531	$570	$0.00	$0.00	$570.00		
838	0	Escalante, Julio	13/31/2008	2	$21,341	40%	$507			$507	$0.00	$0.00	$506.85		1
851	0	Gutierrez, Claudia	9/22/08	1	$19,344	40%			$531	$570	$0.00	$0.00	$570.00		
900	0	Stephan, Natasha	10/8/08	1	$20,330	40%			$531	$796	$0.00	$0.00	$796.00		
908	0	Robles, Luis	10/17/08	1	$19,500	40%		$531		$400	$0.00	$0.00	$400.00		
910	0	Vallejo, Juan	11/14/08	1	$20,723	40%			$531	$570	$0.00	$0.00	$570.00		
1027	0	Tran, Andrew	11/25/08	1	$19,126	40%			$531	$570	$0.00	$0.00	$570.00		
1110	0	Burgos, Andres	12/27/08	1	$19,383	40%			$531	$570	$0.00	$0.00	$570.00		
1112	0	Thompson, Katherine	1/1/08	2	$22,601	40%	$462			$462	$0.00	$0.00	$461.96		1
1114	0	Tijerina, Erick	9/6/08	1	$21,156	40%			$531	$670	$0.00	$0.00	$670.00		
1122	0	Linkof, Ryan	12/29/08	1	$19,001	40%			$531	$670	$0.00	$0.00	$670.00		
1126	0	Kendall, Key	8/22/08	1	$19,953	40%			$531	$670	$0.00	$0.00	$670.00		
1214	0	Waldron, Shawna	10/29/08	1	$21,000	40%			$531	$670	$0.00	$0.00	$670.00		
1219	0	Dowglert, Tadeusz	8/8/08	1	$19,036	40%			$531	$670	$0.00	$0.00	$670.00		
326	0	Zapata, Marlon	2/29/08	1	$23,255	45%			$597	$777	$0.00	$0.00	$777.00		
329	0	Cruz, Antonio	1/1/08	1	$21,724	45%		$597		$333	$0.00	$0.00	$332.96		0
343	0	Thompson , Vanessa	12/31/08	1	$23,400	45%			$597	$796	$0.00	$0.00	$796.00		

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357	0	Mejia, Mario	8/15/08	1	$23,753	45%			$597	$670	$0.00	$0.00	$670.00		
422	0	Glass, Ronald	1/1/08	1	$23,485	45%	$315			$315	$0.00	$0.00	$314.96		1
460	0	Britz, Andrea	1/2/08	1	$23,467	45%		$570		$570	$0.00	$0.00	$570.00		
518	0	Flowers, Dorian	1/1/08	1	$22,776	45%	$319			$319	$0.00	$0.00	$318.96		1
532	0	Hood, Deshawn	10/15/08	1	$21,840	45%		$570		$570	$0.00	$0.00	$570.00		
555	0	Garcia, Micah	4/30/08	1	$23,857	45%			$597	$852	$0.00	$0.00	$852.00		
650	0	Gamonal, Georganne	9/23/08	1	$21,840	45%			$597	$670	$0.00	$0.00	$670.00		
653	0	Contreas, Jayme	12/31/08	2	$25,400	45%	$523			$523	$0.00	$0.00	$522.97		1
745	0	Salim, Kenny	10/8/08	1	$22,738	45%		$570		$570	$0.00	$0.00	$570.00		
760	0	Gonzalez, Juan	1/1/08	1	$23,072	45%	$337			$337	$0.00	$0.00	$336.96		1
824	0	Devenow, Mariana	9/23/08	1	$23,440	45%		$570		$400	$0.00	$0.00	$400.00		
841	1	Kay, Krystle	12/30/08	1	$23,028	45%			$639	$852	$0.00	$0.00	$852.00		
845	0	Talamantes, Jonathan	11/19/08	1	$22,609	45%		$570		$570	$0.00	$0.00	$570.00		
861	0	Renteria, Anthony	8/16/08	1	$21,294	45%		$597		$570	$0.00	$0.00	$570.00		
912	0	Pigg, Amy	12/17/08	1	$22,001	45%			$597	$670	$0.00	$0.00	$670.00		
916	0	Larson, Daniel	9/23/08	1	$22,360	45%		$570		$400	$0.00	$0.00	$400.00		
918	0	Dominguez, Ana	9/12/08	1	$22,213	45%		$570		$400	$0.00	$0.00	$400.00		
1000	0	Shinojima, Miyuki	8/7/08	1	$21,600	45%			$597	$796	$0.00	$0.00	$796.00		
1019	0	Cortez, Ignacio	8/7/08	1	$23,403	45%			$597	$670	$0.00	$0.00	$670.00		
1021	0	Dowell, Adam	12/29/08	1	$23,400	45%		$570		$570	$0.00	$0.00	$570.00		
1022	0	Adams, Reginald	12/24/08	1	$23,681	45%			$597	$670	$0.00	$0.00	$670.00		
1026	0	Bender, Teneale	7/30/08	1	$23,140	45%			$597	$670	$0.00	$0.00	$670.00		
1101	0	Spaich, Nedjelko	10/3/08	1	$21,600	45%			$597	$796	$0.00	$0.00	$796.00		
1104	0	Scrimshire, Michelle & Waldapfel	9/5/08	2	$25,648	45%			$597	$796	$0.00	$0.00	$796.00		
1209	0	Gonzalez, Jose	11/15/08	1	$23,142	45%		$570		$570	$0.00	$0.00	$570.00		
330	0	Cervantes, Marta	1/1/08	2	$28,800	50%	$333			$333	$0.00	$0.00	$333.46		1
344	0	Viscaino-Leon, Porfilo	5/29/08	1	$24,701	50%		$570		$570	$0.00	$0.00	$570.00		
364	0	Whittington, John	1/1/08	1	$26,442	50%			$663	$750	$0.00	$0.00	$750.00		
403	0	Stover, Zackery	2/29/08	1	$24,960	50%			$663	$777	$0.00	$0.00	$777.00		
464	0	Chester, Marcius	1/1/08	1	$24,151	50%	$463			$463	$0.00	$0.00	$462.96		1
506	0	Cervantes, Guadalupe	1/1/08	2	$29,721	50%		$663		$796	$0.00	$0.00	$796.00		

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538	0	Chavez, Eduarda	1/1/08	2	$28,186	50%	$502			$502	$0.00	$0.00	$501.96		1
543	0	Luera, Joseph	1/1/08	2	$29,782	50%	$455			$455	$0.00	$0.00	$454.96		1
549	0	Ruiz, Raul	3/31/08	1	$24,351	50%		$570		$550	$0.00	$0.00	$550.00		
612	0	Booth, Gene	12/29/08	1	$26,294	50%			$663	$670	$0.00	$0.00	$670.00		
617	0	Johnson, Terrence	1/1/08	1	$24,761	50%	$319			$319	$0.00	$0.00	$318.96		1
626	0	Chavez, Anthony	12/28/08	1	$25,280	50%			$663	$796	$0.00	$0.00	$796.00		
649	0	Edmond, Anthony		1	$25,407	50%		$570		$550	$0.00	$0.00	$550.00		
702	0	Edwards, Carl/ Fleming, Derek	12/22/08	2	$27,621	50%			$663	$796	$0.00	$0.00	$796.00		
709	0	Jacobson, Gregory	4/21/08	1	$24,875	50%		$570		$550	$0.00	$0.00	$550.00		
727	0	Fernandez, Fabian	12/30/08	1	$26,052	50%			$663	$796	$0.00	$0.00	$796.00		
729	0	Maria Hernandez	12/31/08	1	$24,544	50%			$663	$796	$0.00	$0.00	$796.00		
734	0	Quevedo, Edson	5/10/08	1	$24,440	50%		$570		$570	$0.00	$0.00	$570.00		
748	0	Smithline, Ashley	3/27/08	1	$24,002	50%		$570		$650	$0.00	$0.00	$650.00		
757	0	Garcia, Luis	7/26/08	1	$26,298	50%			$663	$670	$0.00	$0.00	$670.00		
758	0	Wakeland, Brie	6/27/08	1	$25,480	50%			$663	$670	$0.00	$0.00	$670.00		
761	0	Otterman, Rosa	5/29/08	1	$24,000	50%			$663	$670	$0.00	$0.00	$670.00		
818	0	Zuniga, Monica	10/9/08	1	$24,093	50%		$570		$400	$0.00	$0.00	$400.00		
830	0	Olivos, Carlos	11/22/08	1	$26,386	50%			$663	$670	$0.00	$0.00	$670.00		
832	0	Brooks, Robert	11/7/08	1	$25,168	50%			$663	$570	$0.00	$0.00	$570.00		
848	0	Thomas, Kathaleen	10/13/08	1	$26,266	50%		$570		$570	$0.00	$0.00	$570.00		
864	0	Hankoff, Nicholas	7/11/08	1	$25,480	50%			$663	$670	$0.00	$0.00	$670.00		
901	0	Williams, Austin	12/31/08	1	$26,240	50%			$663	$796	$0.00	$0.00	$796.00		
904	0	Ewing, Gary	7/30/08	1	$24,960	50%			$663	$796	$0.00	$0.00	$796.00		
914	0	Martinez, Willie	9/16/08	1	$25,319	50%			$663	$670	$0.00	$0.00	$670.00		
919	0	Mahlel, Jimmy	8/22/08	1	$26,000	50%			$663	$670	$0.00	$0.00	$670.00		
924	0	Clayton, Frederick	11/20/08	1	$24,419	50%		$570		$400	$0.00	$0.00	$400.00		
926	0	Hsin, Maria	8/28/08	1	$25,095	50%			$663	$670	$0.00	$0.00	$670.00		
928	0	Cano, Brenda	10/30/08	1	$25,000	50%		$570		$570	$0.00	$0.00	$570.00		
1004	0	Martinez, Marina	7/28/08	1	$24,535	50%			$663	$796	$0.00	$0.00	$796.00		
1008	0	Rodriguez, Yoandry	8/1/08	1	$24,006	50%		$570		$400	$0.00	$0.00	$400.00		
1029	0	Francisco, Jay	8/15/08	1	$25,190	50%			$663	$670	$0.00	$0.00	$670.00		

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1116	0	Nordby, Wendi	10/29/08	1	$24,000	50%		$570		$400	$0.00	$0.00	$400.00		
1204	0	Libetti, Ashley/ Mitchel, Alex	8/13/08	2	$29,400	50%			$663	$796	$0.00	$0.00	$796.00		
1208	0	Bobbe, Daniel	8/22/08	1	$25,962	50%		$570		$400	$0.00	$0.00	$400.00		
1211	0	Schwartz, Dustin	11/1/08	1	$25,010	50%		$570		$400	$0.00	$0.00	$400.00		
1217	0	Galea, Louise	1/1/08	1	$25,644	50%		$570		$450	$0.00	$0.00	$450.00		
1218	0	Vasquez, Sonia	8/28/08	1	$24,960	50%		$570		$400	$0.00	$0.00	$400.00		
1220	0	Bowen, Blake	9/30/08	1	$23,993	50%		$570		$400	$0.00	$0.00	$400.00		
1221	0	Guarino, Joseph	8/15/08	1	$26,166	50%		$570		$570	$0.00	$0.00	$570.00		
1222	0	Lugo, Michael	12/27/08	1	$24,700	50%			$663	$670	$0.00	$0.00	$670.00		
1227	0	Lozano, Judy	1/1/08	2	$28,173	50%	$563			$563	$0.00	$0.00	$562.96		1
1229	0	Diaz, Oscar	11/26/08	1	$25,896	50%		$663		$570	$0.00	$0.00	$570.00		
338	0	Joregui, Jesus	1/1/08	1	$27,490	55%	$350			$350	$0.00	$0.00	$349.96		1
341	0	Blair, John	1/1/08	1	$27,490	55%	$350			$350	$0.00	$0.00	$349.96		1
350	0	Smith, Terry & Jeanine	1/1/08	1	$26,682	55%	$444			$444	$0.00	$0.00	$443.92		1
421	0	Chavez, Alexandra	12/31/08	1	$27,976	55%			$730	$796	$0.00	$0.00	$796.00		
440	0	Mendez, Alberto	1/1/08	2	$31,206	55%		$730		$303	$0.00	$0.00	$302.96		0
455	1	Beckrum, Vanessa	1/1/08	1	$27,000	55%			$781	$832	$0.00	$0.00	$832.00		
466	0	Derello Emma	12/19/08	1	$28,178	55%		$796		$796	$0.00	$0.00	$796.00		
525	0	Abdel, Soni	12/30/08	1	$27,394	55%			$730	$796	$0.00	$0.00	$796.00		
544	0	Tasby, Mark	7/11/08	1	$27,443	55%		$570		$570	$0.00	$0.00	$570.00		
545	0	Davenport, Jerome	6/9/08	1	$28,598	55%		$570		$570	$0.00	$0.00	$570.00		
547	0	Williams, Sherry	12/31/08	2	$33,252	55%		$670		$670	$0.00	$0.00	$670.00		
600	0	Mosley, Chester	1/1/08	1	$28,081	55%	$603			$603	$0.00	$0.00	$602.96		1
661	0	Hoag, Jamey	5/1/08	1	$27,750	55%		$670		$670	$0.00	$0.00	$670.00		
664	0	Kress, Lindsey	5/1/08	1	$27,500	55%		$670		$650	$0.00	$0.00	$650.00		
665	0	Sanchez, Jaime	1/1/08	1	$26,625	55%	$423			$423	$0.00	$0.00	$422.96		1
701	0	Onyambu, Douglas	12/30/08	1	$28,264	55%			$730	$796	$0.00	$0.00	$796.00		
725	0	Alanis, Yvonne	8/25/08	1	$28,680	55%			$730	$796	$0.00	$0.00	$796.00		
733	0	Salas, Denise	2/29/08	1	$28,774	55%		$570		$650	$0.00	$0.00	$650.00		
739	1	Enriquez, Trayanna	7/31/08	1	$28,740	55%			$781	$852	$0.00	$0.00	$852.00		
744	0	Flowal, Dante	10/13/08	1	$26,936	55%		$570		$570	$0.00	$0.00	$570.00		

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755	0	McClure, Courtney	6/25/08	1	$28,109	55%			$730	$852	$0.00	$0.00	$852.00		
802	0	Chivulescu, Michael	1/1/08	1	$26,624	55%	$399			$399	$0.00	$0.00	$398.96		1
850	0	Zhao, Cheng	12/16/08	1	$27,737	55%		$670		$670	$0.00	$0.00	$670.00		
863	0	Thomas, Brenda	11/25/08	1	$29,016	55%	$0	$730		$670	$0.00	$0.00	$670.00		0
903	0	Watson, Samuel	8/22/07	1	$26,930	55%			$730	$796	$0.00	$0.00	$796.00		
921	0	Tejeda, Dorcas	12/23/08	1	$28,008	55%		$570		$570	$0.00	$0.00	$570.00		
923	0	Brandelli, Tina	12/20/08	1	$28,429	55%			$570	$570	$0.00	$0.00	$570.00		
925	0	Avila, Jorge/ Morris, Sarah	9/5/08	2	$32,550	55%			$730	$796	$0.00	$0.00	$796.00		
1010	0	Swinson, Joel	11/26/08	1	$28,353	55%		$570		$400	$0.00	$0.00	$400.00		
1111	0	Rankine, Tsanai	10/27/08	1	$28,478	55%		$570		$400	$0.00	$0.00	$400.00		
1128	0	Gonzales, Jamel	7/31/08	1	$28,989	55%		$570		$570	$0.00	$0.00	$570.00		
1129	0	Borges, Amanda	8/22/08	1	$29,156	55%		$670		$670	$0.00	$0.00	$670.00		
1212	0	Barela, Tanya	1/1/08	1	$28,098	55%	$416			$416	$0.00	$0.00	$416.00		1
322	1	Vacant				60%		$852		$0	$0.00	$0.00	$0.00		
324	1	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
327	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
349	0	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
351	0	Vacant				60%		$670		$0	$0.00	$0.00	$0.00		
358	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
360	0	Meyer, Scott	1/1/08	1	$30,866	60%	$465			$465	$0.00	$0.00	$464.96		1
361	0	Valerio, Juan	12/17/08	1	$29,228	60%		$670		$670	$0.00	$0.00	$670.00		
363	0	Raquid, Noel	4/18/08	1	$30,749	60%		$670		$670	$0.00	$0.00	$670.00		
366	0	Model				60%		$796		$0	$0.00	$0.00	$0.00		
418	0	Mason, Jesse W	1/1.08	1	$30,725	60%	$380			$380	$0.00	$0.00	$380.00		1
427	0	Lynch, Raymond	12/30/08	1	$31,700	60%	$0	$796		$796	$0.00	$0.00	$796.00		0
453	0	May-Kline, Melina	1/1/08	1	$29,293	60%	$750			$750	$0.00	$0.00	$750.00		1
521	0	Duran, David/ Gonzales	4/30/08	2	$33,620	60%			$796	$796	$0.00	$0.00	$796.00		
522	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
533	0	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
537	0	Dickerson, Dexter	1/1/08	1	$30,642	60%	$344			$344	$0.00	$0.00	$343.96		1
565	0	Vacant				60%		$670		$0	$0.00	$0.00	$0.00		

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		New Move-in Information					Rent Information							Student Info	
Unit Number	No. of Bedrooms	Head of Household Name	Initial Eligibility Date	No. in Household	Gross Income	Income %	Original Tenant	Increase Rent upon renewal	Decrease Rent for CRA	Tenant Paid Rent 12/31/08	Subsidy	UA	Gross Rent	Full-Time Student Status	Units @ Acquisition
601	0	Spencer, Joshua	1/1/08	1	$30,023	60%		$796		$650	$0.00	$0.00	$650.00		
603	0	Ayers, Megan	9/30/08	1	$31,395	60%			$796	$796	$0.00	$0.00	$796.00		
607	0	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
622	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		

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		New Move-in Information					Rent Information							Student Info	
Unit Number	No. of Bedrooms	Head of Household Name	Initial Eligibility Date	No. in Household	Gross Income	Income %	Original Tenant	Increase Rent upon renewal	Decrease Rent for CRA	Tenant Paid Rent 12/31/08	Subsidy	UA	Gross Rent	Full-Time Student Status	Units @ Acquisition
624	0	Klosterman, Robert	1/1/08	1	$30,211	60%	$463			$463	$0.00	$0.00	$462.96		1
643	0	Amaral, Joseph	6/20/08	1	$31,324	60%			$796	$796	$0.00	$0.00	$796.00		
654	0	Jones, Sean	1/1/08	1	$30,495	60%		$796		$777	$0.00	$0.00	$777.00		
660	0	Shadeed, Rashad	6/10/08	1	$30,808	60%		$570		$570	$0.00	$0.00	$570.00		
705	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
721	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
722	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
732	0	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
736	0	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
754	1	Jarrard, Bryant/Skinner, Duncan	8/5/08	2	$35,448	60%			$852	$852	$0.00	$0.00	$852.00		
803	0	Vihona, Marina	2/26/08	1	$29,376	60%		$796		$777	$0.00	$0.00	$777.00		
804	0	Aloise, Kelsey	6/13/08	1	$31,800	60%			$796	$796	$0.00	$0.00	$796.00		
805	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
806	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
807	0	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
821	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
822	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
825	0	Chavez, Alberto	9/8/08	1	$30,960	60%			$796	$796	$0.00	$0.00	$796.00		
829	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
842	1	Vacant				60%		$852		$0	$0.00	$0.00	$0.00		
852	1	Vacant				60%		$852		$0	$0.00	$0.00	$0.00		
853	1	Vacant				60%		$852		$0	$0.00	$0.00	$0.00		
854	1	Vacant				60%		$852		$0	$0.00	$0.00	$0.00		
855	0	Benz, Terressa	7/1/08	1	$30,373	60%			$796	$852	$0.00	$0.00	$852.00		
866	0	Valladares, Carolina	12/13/08	2	$34,815	60%			$796	$796	$0.00	$0.00	$796.00		

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		New Move-in Information					Rent Information							Student Info	
Unit Number	No. of Bedrooms	Head of Household Name	Initial Eligibility Date	No. in Household	Gross Income	Income %	Original Tenant	Increase Rent upon renewal	Decrease Rent for CRA	Tenant Paid Rent 12/31/08	Subsidy	UA	Gross Rent	Full-Time Student Status	Units @ Acquisition
905	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
906	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
907	0	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
929	0	Bright, Ryan	8/7/08	1	$29,242	60%		$670		$670	$0.00	$0.00	$670.00		
1001	0	Philips, Stephen	1/1/08	1	$30,000	60%	$423			$423	$0.00	$0.00	$422.96		1
1005	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
1006	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
1007	0	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
1014	0	Christensen, Jerome/Duran	10/17/08	2	$34,190	60%		$670		$670	$0.00	$0.00	$670.00		
1028	0	Brown, Salvador	12/31/08	1	$31,804	60%	$335			$335	$0.00	$0.00	$335.11		1
1100	0	Evans, Timothy	8/13/08	1	$30,000	60%			$796	$796	$0.00	$0.00	$796.00		
1105	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
1106	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
1107	0	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
1118	0	Ours, Sybil	9/19/08	1	$29,901	60%		$570		$400	$0.00	$0.00	$400.00		
1121	0	Jennings, Michael	12/18/08	1	$30,056	60%		$570		$570	$0.00	$0.00	$570.00		
1125	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
1205	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
1206	0	Vacant				60%		$796		$0	$0.00	$0.00	$0.00		
1207	0	Vacant				60%		$570		$0	$0.00	$0.00	$0.00		
1228	0	Valentino Suite				60%		$570		$0	$0.00	$0.00	$0.00		
1223/24	0	Buchanan Suite				60%		$570		$0	$0.00	$0.00	$0.00		
352	0	Odom, Robert		1	$35,145	over limit	$0	$796		$366	$0.00	$0.00	$365.96		1
355	1	Tan, Juan Carlo				over limit		$852		$832	$0.00	$0.00	$832.04		
445	0	Hickes, Calvin				over limit	$0	$570		$351	$0.00	$0.00	$350.96		1
534	0	Binder, Harold				over limit	$0	$570		$371	$0.00	$0.00	$371.07		1
552	0	Helmus Lester		1	$32,294	over limit	$0	$796		$417	$0.00	$0.00	$416.95		1
1003	0	Conner, Brandon				over limit		$852		$750	$0.00	$0.00	$749.89		
651	0	Henderson, Phil				refused	$0	$570		$338	$0.00	$0.00	$337.90		1
826	0	Charles, Thomas				refused	$0	$796		$343	$0.00	$0.00	$342.86		1
909	0	Steve, Neaville				refused	$0	$570		$563	$0.00	$0.00	$562.96		1

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		New Move-in Information					Rent Information							Student Info	
Unit Number	No. of Bedrooms	Head of Household Name	Initial Eligibility Date	No. in Household	Gross Income	Income %	Original Tenant	Increase Rent upon renewal	Decrease Rent for CRA	Tenant Paid Rent 12/31/08	Subsidy	UA	Gross Rent	Full-Time Student Status	Units @ Acquisition

CRA Target Unit Income Level Breakdown	12/31/2008	CRA Required	Over/(Under)
30% AMI	182	30	
30% AMI and under	184	30	154
35% AMI	48	100	
35% AMI and under	232	130	102
40%	44	57	
40% AMI and under	276	187	89
45%	28	34	
45% AMI and under	304	221	83
50%	48	29	
50% AMI and under	352	250	102
55%	33	94	
50% AMI and under	385	344	41
60%	69	119	
60% units overlimit	9		
60% AMI and under	463	463	0

Attachment 4 to Agreement Containing Covenants

CITY OF LOS ANGELES RENT STABILIZATION ORDINANCE

(Attach Ordinance Section 151.06. See Section 34 above.)

SEC. 151.06. AUTOMATIC ADJUSTMENTS.

(Title Amended by Ord. No. 153,552, Eff. 5/1/80; Section Amended by Ord. No. 154,237, Eff. 8/30/80, Oper. 9/1/80.)

The maximum rent or maximum adjusted rent for a rental unit may be increased without permission of the Rent Adjustment Commission or the Department, as follows:

A. For a rental unit which has not had a rent increase since May 31, 1976 (other than one imposed pursuant to Section 3B(5) or (6) of Ordinance No. 151,415, as amended and/or Section 151.07 of this chapter:

Prior to any increase pursuant to Subsection D. of the section, a landlord may increase the maximum rent by an amount not to exceed 19%, but if the landlord pays all the costs of electricity and/or gas services for a rental unit, then the maximum or maximum adjusted rent may be increased an additional 1% for each such service paid by the landlord. Thereafter, the rent may be adjusted automatically only in accordance with Subsections C. and D.

B. For a rental unit which has not had a rent increase since May 31, 1977 (other than one imposed pursuant to Section 3B(5) or (6) of Ordinance No. 151,415, as amended, and/or Section 151.07 of this chapter) but which did have a rent increase within one year prior to that date:

Prior to an increase pursuant to Subsection D. of this section, a landlord may increase the maximum rent by an amount not to exceed 13%, but if the landlord pays all the costs of electricity and/or gas services for a rental unit, then the maximum or maximum adjusted rent may be increased an additional 1% for each such service paid by the landlord. Thereafter, the rent may be adjusted automatically only in accordance with Subsections C. and D. below.

C. (Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.) For a rental unit vacated by all the tenants after the operative date of this chapter:

Except as otherwise provided in this subsection, if the rental unit was vacated voluntarily or as a result of an eviction or termination of tenancy based on one or more of the grounds described in Subdivisions 1., 2., 9. or 13. of Subsection A. of Section 151.09, the maximum rent or maximum adjusted rent may be increased to any amount upon re-rental of the rental unit. **(First Sentence Amended by Ord. No. 179,868, Eff. 5/20/08.)** Thereafter, as long as the rental unit continues to be rented to one or more of the same persons, no other rent increase shall be imposed pursuant to this subsection.

With respect to an eviction or termination of tenancy based on one or more of the grounds described in Section 151.09 A.3. or A.4., the maximum rent or maximum adjusted rent may be increased to any amount upon the re-rental of the rental unit only in those cases where 1) the notice of intent to terminate tenancy is served on the tenant by the landlord prior to the City Attorney commencing a court action against him or her pursuant to Section 47.50 of this Code; and 2) the eviction or termination of tenancy is based upon information provided by a law enforcement agency or prosecution agency that the tenant is committing or permitting to exist any drug-related nuisance, illegal drug activity or gang-related crime as those terms are defined in Section 47.50 A. of this Code. Thereafter, so long as the rental unit continues to be rented to one or more of the same persons, no other rent increase shall be imposed pursuant to this subsection. **(Paragraph Added by Ord. No. 171,442, Eff. 1/19/97.)**

However, this subsection shall not apply in the following circumstances:

1. If a rental unit is vacated as a result of termination of rental assistance paid for the tenant with federal aid pursuant to a Housing Assistance Payments Contract between the landlord and the City of Los Angeles Housing Authority when such contract was cancelled or not renewed by the landlord;

2. The vacation of a rental unit by a tenant as a result of a landlord giving notice of intent to terminate tenancy on any ground other than those set forth in Section 151.09 A.1., A.2. or A.9. of this chapter, or the landlord creating an unreasonable interference with the tenant's comfort, safety, or enjoyment of the rental unit;

3. If the rental unit is vacated, pursuant to Section 12.27.1 of this Code (Administrative Nuisance Abatement Proceedings), by order of the Director of Planning or City Council to vacate and secure the residential use. **(Added by Ord. No. 180,409, Eff. 1/18/09.)**

4. If the tenant voluntarily vacating the rental unit was the next tenant after an eviction pursuant to Section 151.09 A.8.; or

5. If a rental unit is vacant as a result of the termination of the regulation of the rental unit under any local, state or federal program. **(Added by Ord. No. 166,320, Eff. 11/22/90.)**

6. If the rental unit is the subject of a notice of noncompliance sent to the Franchise Tax Board pursuant to Section 17274 of the Revenue and Taxation Code, and the violations that were the subject of the notice have not been corrected. **(Added by Ord. No. 170,445, Eff. 5/6/95, Oper. 7/5/95.)**

7. If the rental unit is the subject of a notice of rent reduction or a notice of acceptance into the Rent Escrow Account Program issued pursuant to Section 162.00 *et seq.* of this Code, and the conditions that caused the placement have not been corrected. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)**

8. If the rental unit is the subject of a criminal conviction related to the landlord's failure to comply with a citation or order issued by the Department, Department of Building and Safety, Fire Department, or Department of Health with respect to the subject rental unit, and the conditions that caused the conviction have not been corrected. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)**

9. The vacation of a rental unit by a tenant as a result of a landlord giving notice of intent to terminate tenancy on any ground set forth in Section 151.09 A.3. or A.4. unless the notice of intent to terminate is based upon information provided by a law enforcement agency or prosecution agency that the tenant is committing or permitting to exist a drug-related nuisance, illegal drug activity or gang-related crime as those terms are defined in Section 47.50 A. of this Code; **(Added by Ord. No. 171,442, Eff. 1/19/97.)**

10. If the rental unit is vacated as a result of a removal of the rental unit from rental housing use based on either of the grounds described in Section 151.09 A.10., the landlord must comply with the requirements of Sections 151.22 through 151.28 of this article, including applicable limitations on the amount of rent. **(Added by Ord. No. 177,901, Eff. 9/29/06.)**

D. (Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.) For a rental unit which at any time on or after the operative date of this chapter has not had a rent increase for a period of twelve consecutive months or more (other than one lawfully imposed pursuant to Section 3B(5) or (6) of Ordinance No. 151,415, as amended, and/or pursuant to Subsection E. of this section and/or pursuant to

Section 151.07 of this chapter:

The maximum rent or maximum adjusted rent may be increased in an amount based on the Consumer Price Index – All Urban Consumers averaged for the twelve (12) month period ending September 30, of each year, as determined and published by the Department on or before May 30, of each year, pursuant to Section 151.07 A.6. of this chapter. This annual adjustment may be applied to any annual rent increase which first becomes effective on or before July 1, through June 30, of each year. If the landlord pays all the costs of electricity and/or gas services for a rental unit then the maximum rent or maximum adjusted rent may be increased an additional one percent (1%) for each such service paid by the landlord, not to exceed a total of two percent (2%). If a rent increase had been imposed pursuant to Subsection A., B., C. or F.1., of this section, then no rent increase may be imposed pursuant to this subsection until twelve (12) consecutive months or more have elapsed since such rent increase. **(Amended by Ord. No. 159,908, Eff. 6/30/85 Oper. 7/1/85.)**

EXCEPTION: (Amended by Ord. No. 170,445, Eff. 5/6/95, Oper. 7/5/95.)

This subsection shall not apply in the following circumstances:

If the rental unit is the subject of a notice of noncompliance sent to the Franchise Tax Board pursuant to Section 17274 of the Revenue and Taxation Code, and the violations that were the subject of the Notice have not been corrected; or

If the rental unit is the subject of a notice of rent reduction or a Notice of Acceptance issued pursuant to this chapter, and the conditions that caused the placement have not been corrected; or

If the rental unit is the subject of a criminal conviction related to the landlord's failure to comply with a citation or order issued by the Department of Building and Safety, Fire Department, or Department of Health with respect to the subject rental unit, and the conditions that caused the conviction have not been corrected.

E. (Amended by Ord. No. 154,808, Eff. 2/13/81.) For a rental unit which had an automatic rent adjustment between May 1, 1980 and August 31, 1980, inclusive, and for which the landlord pays all the costs of electricity and/or gas services for a rental unit:

The maximum rent or maximum adjusted rent may be increased 1% for each such service paid by the landlord. A landlord may not increase rent pursuant to this subsection on or after May 1, 1981.

F. (Added by Ord. No. 158,891, Eff. 6/4/84.) For a rental unit, which is the site within a mobilehome park (hereafter "**site**") on which a mobilehome is located and is vacated by all the tenants after the operative date of this subsection;

1. Except as otherwise provided in this subsection, if the mobilehome on the site is vacated voluntarily or as a result of an eviction or termination of tenancy based on one or more of the grounds described in Section 151.09 A.1., A.2. or A.9., and the mobilehome is permanently removed from the site, then the maximum rent or maximum adjusted rent may be increased to any amount upon the re-rental of the site. Thereafter, as long as the site continues to be rented to one or more of the same persons, no other rent increase shall be imposed pursuant to this subdivision.

However, this subdivision shall not apply in the following circumstances:

a. If the mobilehome has been temporarily removed for repairs; or

b. If the mobilehome has been replaced with a new mobilehome that one or more of the same tenants will occupy.

2. If the site is voluntarily vacated by all the tenants as a result of a sale of the mobilehome, and the mobilehome is not removed from the site, then the maximum rent or maximum adjusted rent may be increased by an amount not to exceed the rent on any existing comparable site in the park, or ten percent (10%), whichever is the lower. A comparable site for the purposes of this subdivision shall be a site within the same park which has a mobilehome located on it which is substantially the same size (single, double or triple wide) as the mobilehome that was sold. Thereafter, as long as the site continues to be rented to one or more of the same persons, no other rent increase shall be imposed pursuant to this subdivision. The rent may only be increased pursuant to this subdivision once in any twelve consecutive month period.

G. (Added by Ord. No. 166,373, Eff. 12/8/90.) For a rental unit which has an additional tenant joining the occupants of the rental unit thereby resulting in an increase in the number of tenants existing at the inception of the tenancy.

(a) The maximum rent or maximum adjusted rent may be increased by an amount not to exceed 10% for each additional tenant that joins the occupants of the rental unit, except that:

The rent may not be increased for the first minor dependent child (multiple births shall be considered as one child) added to an existing tenancy of a tenant of record.

(b) The rental unit shall not be eligible for a rent increase until the additional tenant shall have maintained residence in the rental unit for a minimum of thirty days.

(c) The provisions of this subsection shall apply only to any additional tenant who first occupies a rental unit after the effective date of this subsection, except that the minor dependent children already residing in the unit for which no increase has been imposed, at the time this subsection takes effect, there shall be no allowable increase.

SEC. 151.06.02. PAYMENT OF INTEREST ON SECURITY DEPOSITS.

(Added by Ord. No. 166,368, Eff. 12/6/90.)

A. Security deposit is defined in Section 1950.5 of the California Civil Code.

B. (Amended by Ord. No. 174,017, Eff. 7/16/01.) A landlord who is subject to the provisions of Section 1950.5 of the California Civil Code shall pay annually interest on all security deposits held for at least one year for his or her tenants as follows:

1. **(Amended by Ord. No. 175,020, Eff. 2/1/03.)** Beginning January 1, 2003, the landlord may determine the annual rate of interest by either of the following methods:

(a) Using the annual rate of interest established by the Rent Adjustment Commission (RAC). That rate shall be based on the average of the interest rates on savings accounts paid on September 1 of the previous year, by at least five Federal Deposit Insurance Corporation (FDIC) insured banks with branches in Los Angeles. RAC shall adopt the rate by November 30 of each year and shall publish that

rate in a newspaper of general circulation within one week after it is established each year. The interest rate established by the RAC shall be the rate in effect from January 1 through December 31 of the subsequent year.

(b) Using the actual interest earned on each security deposit account each year. If the landlord chooses this method of determining the amount of interest due at the time of payment of the security deposit interest, the landlord shall provide the tenant with bank statements indicating the amount of interest earned on the security deposit for that year. In the event the landlord fails to provide that information to the tenant at the time it transmits payment of the interest to the tenant, the interest rate required to be paid, shall be the rate set by RAC.

(c) No interest shall accrue on security deposits for the period of January 1, 2002 through December 31, 2002.

2. The annual interest rate shall be 2% simple interest per annum for tenants security deposits held during the period of January 1, 2001, through December 31, 2001.

3. The annual interest rate shall be 5% simple interest per annum for tenants security deposits held during the period of November 1, 1990, through December 31, 2000.

4. The Los Angeles Housing Department (LAHD) shall identify the established interest rate in the annual rental unit registration billings mailed to landlords. LAHD shall publish the established interest rate in a newspaper of general circulation.

C. (Amended by Ord. No. 174,017, Eff. 7/16/01.) Interest shall begin accruing on November 1, 1990, on a monthly basis. A tenant shall be given the unpaid accrued interest in the form of either a direct payment or a credit against the tenant's rent. The landlord shall choose between these two methods of payment and notify the tenant in writing of his or her choice. The landlord may elect to pay the accrued interest on a monthly or yearly basis.

D. Upon termination of tenancy, only the tenant whose security deposit has been held for one year or more shall be entitled to payment of any unpaid accumulated interest on the security deposit. Such payment shall be made at the same time and in the same manner as required for return of security deposits in California Civil Code Section 1950.5(f).

E. Upon termination of a landlord's interest in a property, all accumulated interest on security deposits shall be disposed of in the same manner as required for security deposits by California Civil Code Sections 1950.5(g) and (h).

F. Nothing herein shall preclude a landlord from exercising his or her discretion in investing security deposits.

G. In the event the landlord fails to pay interest on the security deposit as provided in this section, the tenant may bring an action for recovery of the amount owed in a court of the appropriate jurisdiction including, but not limited to, small claims court.

H. The provisions of this section shall not govern mobile home parks.

SEC. 151.06.1. SMOKE DETECTORS.

(Added by Ord. No. 154,808, Eff. 2/1/81.)

A. For a rental unit in which the landlord installs smoke detectors pursuant to Los Angeles Municipal Code Section 91.1304 or Section 91.1403 on or after April 16, 1980:

The rent may be increased 50 cents ($.50) per month for each battery operated smoke detector installed in the rental unit, or three dollars ($3) per month for each permanently installed smoke detector in the rental unit, or the landlord may apply for a rent adjustment pursuant to Subsection A of Section 151.07 of this chapter. This surcharge shall not constitute a rent increase for purposes of Section 151.06 of this chapter.

B. This rent surcharge may be collected at the above rate until the actual cost to the landlord of purchase and installation has been recovered. This subsection shall not apply to a rental unit which becomes eligible for a rent increase pursuant to Section 151.06 C. of this chapter subsequent to the installation of the smoke detector. The Commission shall promulgate regulations on what constitutes eligible expenses in computing such actual cost.

C. Within two months after installation, or by May 31, 1981, whichever is later, the landlord must give written notice to the tenant paying the surcharge of the actual purchase and installation costs of the smoke detector and the month and year when said costs will have been completely amortized.

SEC. 151.06.2. SURCHARGE FOR WATER CONSERVATION ASSESSMENT.

(Added by Ord. No. 166,707, Eff. 4/1/91.)

If a landlord is assessed financial penalties pursuant to the Emergency Water Conservation Plan of the City of Los Angeles, the landlord is entitled to partially pass through those penalties to tenants in the form of a temporary rent surcharge. This surcharge shall not constitute a rent increase for purposes of Section 151.06 of this chapter.

A. A landlord may partially pass through the financial penalties assessed by the Department of Water and Power under the Emergency Water Conservation Plan in the following amount and manner, and in accordance with the regulations adopted by the Rent Adjustment Commission.

1. The landlord shall be entitled to a rent increase in the form of a surcharge of fifty percent (50%) of the penalties assessed.

2. For mobilehome parks that are not separately submetered, the owner of the mobilehome park shall be entitled to pass through seventy-five percent (75%) of the assessed penalties. For mobilehome parks that are submetered, the owner of the park may apportion any assessed penalties in accordance with Rent Adjustment Commission regulations.

B. A landlord shall not close on-premises coin operated laundry facilities during the duration of the Emergency Water Conservation Plan.

SEC. 151.06.5. REDUCTIONS IN RENT.

(Repealed by Ord. No. 173,810, Eff. 4/16/01.)

EXHIBIT G

STANDARD TERMS AND CONDITIONS

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STANDARD TERMS AND CONDITIONS

1. Personnel

a. The Contractor represents that it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall be independent contractors and shall not be agents or employees of or have any contractual relationship with the Agency.

b. All the services required hereunder will be performed by the Contractor or personnel under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under Federal, State and local law to perform such services.

c. No person who is serving sentence in a penal or correctional institution shall be employed on work under this Agreement.

2. Subcontracting

None of the services covered by this Agreement shall be subcontracted by the Contractor without the prior written consent of the Agency. Any such subcontracting must be reported to and approved by the Agency in advance. Requests for subcontracting shall be submitted to the Agency in writing, describing the services to be subcontracted and the name(s) of the proposed subcontractor(s). Such request(s) shall state the lump sum price or hourly rates used in preparing an estimated cost for the subcontractor(s) services. Approval of the subcontractor(s) shall be issued in writing by the Agency.

Subcontractor(s) shall be subject to all the terms and conditions of this Agreement and Contractor shall incorporate the applicable terms and conditions of the Agreement into all subcontracts. The Contractor shall monitor and evaluate the performance of all subcontracts let under this Agreement, and shall be responsible for the acts and omissions of said subcontractors, and of persons either directly or indirectly employed by them, as it is for the acts and omissions of persons directly employed by it.

3. Insurance

a. Workers' Compensation

In accordance with State Compensation laws, the Contractor shall carry Workers' Compensation and Employers' Liability Insurance for all persons employed in the performance of services under this Agreement. The Contractor shall provide the Agency with a certificate verifying such coverage or endorsement acceptable to the Agency before commencing

services under this Agreement. Such policy shall require thirty (30) days notice to the Agency in writing prior to cancellation, termination or expiration of any kind or modification of any of the coverage thereunder.

b. Liability (Bodily Injury and Property Damage)

The Contractor shall carry Commercial General Liability Insurance (Bodily Injury and Property Damage) in an amount of not less than $1,000,000 per occurrence with a $2,000,000 aggregate, combined single limits, unless otherwise specified in the Basic Agreement, and the Contractor shall provide the Agency with certificates verifying such coverage acceptable to the Agency before commencing services under this Agreement. The certificate must be followed within sixty (60) days by an endorsement to the insurance policy. Such policy shall require thirty (30) days notice to the Agency in writing prior to cancellation, termination or expiration of any kind or modification of any of the coverage thereunder. All Commercial General Liability insurance policies shall name the Agency and the City of Los Angeles as additional insureds.

c. Modifications to Insurance Coverages

The Agency reserves the right at any time during the term of this Agreement to change the amounts and types of insurance required hereunder by giving the Contractor a minimum thirty (30) days advance written notice of such change. If such change(s) should result in substantial additional cost to the Contractor, the Agency agrees to negotiate additional compensation proportional to the increased benefit to the Agency and City of Los Angeles. Any increase to the compensation to be paid under the Agreement shall be accomplished by amendment to the Agreement which may require approval by the Board of Commissioners.

Note: Receipt of an original certificate of insurance will be accepted by the Agency as compliance with the above requirements. All certificates/endorsements must clearly state the relevant contract number, the description of insured premises, and be sent to the attention of the Agency's Risk Management Unit.

4. Permits

The Contractor and its officers, agents and employees shall obtain and maintain all permits, licenses, inspections, certifications and/or services pursuant to this provision, necessary for the Contractor's performance hereunder. The Contractor shall pay any and all fees required and shall not be entitled to any additional compensation under the Agreement for such fees unless specifically provided for in the Agreement. Contractor shall immediately notify the Agency of any suspension, termination, lapse, non-renewals or restriction of permits, licenses, certifications or other approval necessary for the performance of services under the Agreement.

5. City of Los Angeles Business Tax Registration Certificate (Business License)

For the term of this Agreement, Contractor shall comply with the business licensing requirements as required by the Los Angeles Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following of the Los Angeles Municipal Code). Unless otherwise exempted, Contractor represents that it has or will obtain as necessary, a Business Tax Registration Certificate (BTRC) or Vendor Registration Number (VRN) issued by the City of Los Angeles and shall not allow any such certificate(s) to expire, be revoked or suspended for the duration of this Agreement. Any such expiration, revocation or suspension of Contractor's BTRC or VRN may be deemed a breach of the Agreement by the Agency.

6. Interest of Federal and Local Public Officials and Members of the Agency

Members of or Delegates of the United States Congress, Resident Commissioners, members of governing bodies of the locality in the project area, and members of the governing body of the Agency and City and their respective officers, employees and/or agents, who exercises any functions or responsibilities in connection with the review or approval in carrying out the purposes to which this Agreement pertains shall not obtain any interest in or share or part of this Agreement or any benefit to arise herefrom. Said Members described in the foregoing shall not have any personal interest, direct or indirect, in this Agreement. The Contractor shall notify the Agency immediately in writing whenever a conflict of interest exists as described in this section.

7. Conflict of Interest

a. The Contractor covenants that it presently has no interest and shall not acquire any possessory or ownership interest, direct or indirect, in the area of the project pertaining to this Agreement, of any parcels therein or any other interest which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed or contracted with.

b. The Contractor further covenants and agrees that, except as disclosed in writing to the Agency, it is not now employed by, associated with (as a partner, joint venture or otherwise) or under contract to represent any party with respect to any matter in which such party has an interest that is adverse to or conflicting with the interests of the Agency, and that it will not accept such employment or enter into any such association or agreement during the term of this Agreement unless it discloses such relationship to the Agency in writing and the Agency approves such relationship in writing.

c. For the duration of this Agreement, the Contractor shall not act as consultant or perform services of any kind for any person or entity in regard to the Agreement without the prior written consent of the Agency. If the Agreement includes the performance of legal services for the Agency, Contractor shall immediately notify the City Attorney's Office in writing of any potential conflict of interest in representing the Agency and the reasons therefor. Any waiver of conflict of interest shall be granted only by the Agency's Board of Commissioners.

d. The Contractor warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement; including any person on the selection committee, and that there is no financial relationship whatsoever between it and any person on the selection committee or at the Agency who is in a position to influence, direct, or award this Agreement.

e. The Agency shall have the right to terminate this Agreement if it determines in its sole discretion that Contractor's or any of its subcontractor's interests substantially conflict with those of the Agency, and shall not compensate the Contractor for any services performed hereunder.

8. Time of Effectiveness and Amendments to Agreement

Unless otherwise provided, this Agreement, and any amendments thereto shall take effect when all of the following events have occurred:

a. The Agreement has been duly sign by the person or persons authorized to bind the Contractor hereto;

b. The Agreement has been approved by the Agency Board and, to the extent required by policy or law, the City Council; or by an Agency officer or employee, to the extent such individual is authorized to approve the Agreement or amendment to this Agreement. Any unauthorized approval shall be null and void;

c. The Office of the City Attorney has approved such Agreement as to form;

d. The Agreement has been duly signed on behalf of the Agency by the person or persons authorized to bind the Agency; and

e. All conditions precedent in the Agreement have been satisfied

Any amendments or modifications to the Agreement shall be mutually agreed upon between the Agency and the Contractor, and shall be incorporated in written amendments to the Agreement.

9. Termination of Agreement for Cause

a. If through any cause, the Contractor shall fail to comply with the terms and conditions of this Agreement in a timely and proper manner, the Agency shall have the right to terminate the Agreement.

b. The Agency shall exercise its right to terminate if the Contractor fails to cure the default(s) within the time specified by the Agency in the written notice specifying the default(s). The Agency shall give written notice to the Contractor at least five (5) days before the effective date of such termination. The Notice will specify the effective termination date.

c. If, after termination for cause, it is determined that the Contractor was not in default or that the Contractor's failure to perform or to make progress in performance is due to causes beyond the control and without fault or negligence of the Contractor as set forth in the Excusable Delays provision, the rights and obligations of the parties will be the same as if the termination was for the convenience of the Agency.

d. In such event, all finished or unfinished documents, data, studies, reports and other materials prepared by the Contractor pursuant to this Agreement is Agency property. The Contractor shall be entitled to receive just and equitable compensation for any work completed that has been approved by the Agency Representative(s).

e. The Contractor shall also transfer title (if not already transferred) and, as directed by the Agency Representative(s), deliver to the Agency completed or partially completed work and other materials produced or acquired for the work terminated, completed or partially completed plans, drawings, information, studies, and reports prepared by the Contractor, and other property that, if the Agreement had been completed, would be required to be furnished to the Agency. Upon direction by the Agency's Chief Operating Officer or designee, the Contractor shall also protect and preserve any other property in its possession in which the Agency has an interest.

f. Notwithstanding the above, the Contractor shall not be relieved of liability to the Agency for damages sustained by the Agency by virtue of any breach of this Agreement by the Contractor. The Agency may withhold any payments to the Contractor until such time as the exact amount of damages due the Agency from the Contractor is determined.

g. The rights and remedies of the Agency in this termination provision are in addition to any other rights and remedies by law or equity or under this Agreement.

10. Termination for Convenience

a. The Agency may terminate this Agreement, in whole or in part, when it is in the Agency's interest. The Agency shall terminate the Agreement by delivering to the Contractor a Notice of Termination specifying the extent of termination and the effective date. If this Agreement is terminated under this provision, the Agency shall be liable only for payment under the payment provisions of this Agreement for services rendered and allowable expenses incurred before the effective date of termination, less any previous payments made to the Contractor. These expenses and services must be reviewed and approved by the Agency Representative(s) prior to any payments made to the Contractor.

b. In the event of termination, the Contractor shall transfer title (if not already transferred) and as directed by the Agency, deliver to the Agency completed or partially completed work and other materials produced or acquired for the work terminated, completed or partially completed plans, drawings, information, studies, and reports prepared by the Contractor, and other property that, if the Agreement had been completed, would be required to be furnished to the Agency. Upon direction by the Chief Operating Officer or designee, the Contractor shall also protect and preserve any other property in its possession in which the Agency has an interest.

11. Excusable Delays

a. Neither the Agency nor the Contractor shall be in default because of any failure to perform this Agreement under its terms if the failure arises from causes beyond the control and without the fault or negligence of either party. Examples of these causes are (1) acts of God or public enemy, (2) acts of the Federal Government or any unit of State or Local Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, and (8) freight embargoes or delays in transportation. Notification of an excusable delay impacting the performance of services under the Agreement shall be made in writing to the other party.

b. If the Agency determines that any failure to perform the Agreement results from one or more of the causes above, the delivery or performance schedule may be revised, subject to the rights of the Agency under the termination provisions of this Agreement.

12. Correction of Work

The performance of services or Agency's acceptance of the work product furnished by the Contractor pursuant to this Agreement, shall not relieve the Contractor from its obligation to correct any incomplete, inaccurate, or defective

work discovered. All such work discovered shall be remedied by the Contractor on demand without cost to the Agency.

13. Compliance with Laws

Each party's performance hereunder shall comply with all applicable laws, ordinances and codes of the United States of America, the State of California, the City of Los Angeles and the Agency. The Contractor shall commit no trespass on any public or private property in performing any of the work under this Agreement.

14. Anti-Kickback Rules

Compensation of Contractor's employees and subcontractors performing work under this Agreement shall be paid unconditionally and not less often than once a month without deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback" Act (Title 18 U.S.C., Section 874) (29 CFR, Part 3).

"Kickback," as used in this provision, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided directly or indirectly, to any Contractor, Contractor employee, subcontractor, subcontractor employee for the purpose of improperly obtaining or awarding favorable treatment in connection with this Agreement or in connection with a subcontract relating to this Agreement.

The Contractor shall incorporate the substance of this provision in all subcontracts under this Agreement.

15. Withholding of Salaries

If, in the performance of this Agreement, there is any underpayment of salaries and/or compensation by the Contractor or by any subcontractor thereunder, the Agency shall withhold from payments due the Contractor the underpaid amounts which are due the Contractor's or subcontractor's employees. The amount to be withheld shall be computed based on the actual hourly salary rate(s) of the affected employees times the total number of hours each employee worked in relation to this Agreement. The amounts withheld may be disbursed by the Agency on behalf of the Contractor or subcontractor to the respective employees to whom they are due.

16. Claims and Disputes Pertaining to Salary Rates

Claims and disputes pertaining to salary rates or to classifications of employees performing work under this Agreement shall be promptly reported in writing by the Contractor to the Agency for the latter's decision which shall be final with respect thereto.

17. Indemnification

Except for the gross negligence or willful misconduct of the Agency, the Contractor undertakes and agrees to defend, indemnify and hold harmless the Agency, the City of Los Angeles, and any of their respective boards, officers, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including the Contractor's and subcontractor's officers, employees and agents, for damage or destruction of any property of either party hereto or of third parties, and/or for any other loss or injury arising in any manner by reason of the negligent acts, errors or omissions, or willful misconduct arising from the performance of this Agreement by the Contractor or its subcontractors of any tier.

18. Assignability

The Contractor shall not assign or transfer any interest in this Agreement, (whether by assignment or novation) without the prior written approval of the Agency's Chief Executive Officer or designee.

19. Bankruptcy

In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish, by certified mail, written notification of the bankruptcy filing complete with case number, to the Agency Representatives listed in the Agreement. The Contractor shall furnish this notification within five days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of other Agency agreement numbers against which final payment has not been made. This obligation remains in effect for the duration of the Agreement and until final payment is made under this Agreement.

20. Ownership of Materials and Documents

Any and all sketches, drawings, tracings, field survey notes, computations, electronic files, details and other materials, documents including computer files and data prepared by the Contractor and/or Contractor's subcontractor(s) pertaining to this Agreement shall be the property of the Agency from the moment of their preparation and the Contractor shall deliver such materials and documents to the Agency whenever requested to do so by the Agency. However, the Contractor and/or the Contractor's subcontractor(s) shall have the right to make duplicate copies of such materials and documents for their own file; or other purposes as may be authorized in writing by the Agency. The Agency shall not, without the Contractor's written consent, associate the Contractor's name with any material not the exclusive product of the Contractor.

Contractor is prohibited from removing any Agency-owned property and any other fixed assets from the Agency's premises. Magnetic media, files, documents and other property belonging to, and/or produced for the Agency pursuant to this Agreement shall not be removed from Agency premises. Removal shall require the prior express written consent of the Chief Operating Officer or designee.

21. Findings Confidential

All of the reports, information, data, and other documents prepared or assembled by the Contractor under this Agreement are confidential. The Contractor agrees that the reports, information, data, and other documents shall not be made available to any individual or organization without the prior express written consent of the Chief Operating Officer or designee. Notwithstanding the foregoing, the Agency may be required to disclose any reports, data, documents or other information prepared by Contractor under the Agreement pursuant to the requirements of the California Public Records Act.

22. Access to Books, Documents, Papers and Records

a. The Agency, the City of Los Angeles, and where applicable, State and/or Federal Government representatives, or any of its duly authorized representatives shall have access to any books, documents, papers and records including computer files of the Contractor which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts and transcriptions.

b. The Contractor shall maintain records of all details with respect to all matters covered by this Agreement, for a period of five (5) years after receipt of final payment, unless authorization to remove the records sooner is granted in writing by the Chief Operating Officer or designee.

23. No Attorney's Fees

If either party hereto should retain legal counsel for the purpose of interpreting or enforcing any term or condition of this Agreement, then the prevailing party shall not be entitled to recover any attorney's fees thereby incurred. Each party shall bear its own costs of litigation.

24. Contractor's Status

The Contractor represents that it is an independent contractor for the purposes of this Agreement. In the event of any changes in the Contractor's status, the Contractor shall notify the Agency in writing within five (5) working days. The Contractor shall obtain the required insurance coverages; business licenses; other required licenses; applicable permits; withhold all taxes required by Federal and State statutes; and act as an independent contractor and not as an agent or employee of the Agency. The Contractor shall not represent itself or any of its

directors, officers, partners, employees, or agents to be an agent or employee of the Agency.

25. Applicable Law, Interpretation and Enforcement (Choice of Law)

This Agreement shall be enforced and interpreted under the laws of the State of California and the City of Los Angeles.

If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

26. Non-Discrimination

Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, the City of Los Angeles and the Agency, including, but not limited to the following:

a. During the performance of this Agreement the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, marital status, familial status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) – acquired or perceived, or retaliation for having filed a discrimination complaint (non-discrimination factors). The Contractor will take affirmative steps to ensure that applicants are employed, and that employees are treated during employment without regard to the non-discrimination factors including, and not limited to activities, of: upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay of other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places available to employees and applicants for employment the non-discrimination factors.

b. The Contractor will ensure that its solicitations or advertisements for employment are in compliance with the aforementioned non-discrimination factors.

c. The Contractor will cause the foregoing provisions to be inserted in all contracts for any work covered by Contractor and subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

27. Utilization of Minorities, Women, Project Area Lower Income Residents and Project Area Businesses

The Contractor acknowledges and agrees that it is the policy of the Agency to promote and ensure economic advancement of minorities and women as well as other economically disadvantaged persons through employment and in the award of contracts and subcontracts in redevelopment project areas. The Contractor shall use its best efforts to the greatest extent feasible to provide outreach to minorities, women, and other employees, contractors and subcontractors possessing the necessary skill, and expertise, and who can render the services in a cost effective and efficient manner.

1. Utilization of Minority, Women and Other Businesses M/W/OBE

   The Contractor shall use its best efforts to the greatest extent feasible to seek out and award and require the award of contracts and subcontracts to contracting firms which are located or owned in substantial part by persons residing in the Project Area, and to provide outreach to minority-owned, women-owned, and other firms. This requirement applies to both the construction and operations phases of the project.

2. Utilization of Project Area Residents

   The Contractor shall, to the greatest extent feasible, employ a labor force in all categories that is comprised of residents of the Project Area. The Contractor shall also, to the greatest extent feasible, require that such labor force be proportionately representative of minorities and women residing in the Project Area. This paragraph shall require the reasonable best efforts of the Contractor but shall not require the hiring of any person unless such person has the experience and ability, and, where necessary, the appropriate trade union affiliation to qualify such person for the job. The Contractor, subcontractor or bidder certifies and agrees that it shall make a good faith effort to include within its employ, thirty percent (30%) of aggregate number of new hires from Project Area residents.

28. Clean Air Provisions

The Contractor shall agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended. Violations shall be reported to the Department of Housing and Urban Development, the City of Los Angeles and the Regional Office of the Environmental Protection Agency.

29. Americans With Disabilities Act

The Contractor hereby certifies that it will comply with the Americans with Disabilities Act 42, U.S.C. Section 12101 et seq., and its implementing regulations. The Contractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. The Contractor will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the Contractor relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

30. Contractor Discount

Contractor agrees to offer the Agency any discount terms that are offered to its best customers for the goods and services to be provided herein, and apply such discount to payments made under this Agreement which meet the discount terms.

31. Child Support Assignment Orders

Contractor/Consultant shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Contractor/Consultant assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

32. Agency's Living Wage, Contractor Responsibility, Service Contractor Retention, and Equal Benefits Policies

All Contractors and their subcontractors doing business with the Agency shall be required to comply with the Agency's Living Wage, Contractor Responsibility, Service Contractor Retention, and Equal Benefits Policies. The following provides a summary of the foregoing policies which can be viewed and downloaded at www.crala.org.

A. Living Wage and Service Contractor Retention Policies

1. Unless otherwise exempt in accordance with the provisions of these Policies, this Contract is subject to the applicable provisions of the Agency's Living Wage Policy (LWP) and the Agency's Service Contractor Retention Policy (SCRP), as amended from time to time.

a. Payment of a minimum initial wage rate to employees as defined in the LWP and as may be adjusted each July 1 and provision of benefits as defined in the LWP.

b. Contractor further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWP. Contractor shall require each of its subcontractors within the meaning of the LWP to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Contractor shall deliver the executed pledges from each such subcontractor to the Agency within ninety (90) days of the execution of the subcontract. Contractor's delivery of executed pledges from each such subcontractor shall fully discharge the obligation of the Contractor to comply with the provision in the LWP concerning compliance with such federal law.

c. The Contractor, whether an employer, as defined in the LWP, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the Agency with regard to the employer's compliance or anticipated compliance with the LWP, for participating in proceedings related to the LWP, for seeking to enforce his or her rights under the LWP by any lawful means, or otherwise asserting rights under the LWP. Contractor shall post the Notice of Prohibition Against Retaliation.

d. Any Subcontract entered into by the Contractor relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of LWP and the SCRP, and shall incorporate the "Living Wage Policy and Service Contractor Retention Policy" language.

e. Contractor shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

2. Under the provisions of the LWP and SCRP the Agency shall have the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if the Agency determines that the subject Contractor has violated provisions of the LWP and/or the SCRP.

3. Where under the LWP the designated administrative agency has determined (a) that the Contractor is in violation of the LWP in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the Agency in such circumstances may impound monies otherwise due the Contractor in accordance with the following procedures. Impoundment shall mean that from monies due the Contractor, the Agency may deduct the amount determined to be due and owing by the Contractor to its employees. Such monies shall be placed in the holding

account referred to in LWP and disposed of under procedures there described through final and binding arbitration. Whether the Contractor is to continue work following an impoundment shall remain in the unfettered discretion of the Agency. The Contractor may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

4. Earned Income Tax Credit

This Contract is subject to the provision of the LWP requiring employers to inform employees making less than Twelve Dollars ($12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

B. Equal Benefits Policy

Unless otherwise exempted in accordance with the provisions of the Agency's Equal Benefits Policy (EBP) this Agreement is subject to the provisions of the EBP as amended from time to time.

1. During the performance of this Agreement, the Contractor certifies and represents that it will comply with the EBP. The Contractor agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of a Contract with the Agency, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the EBP may be obtained from the Office of Contract Compliance at (213) 847-6480.

2. The failure of the Contractor to comply with the EBP will be deemed to be a material breach of the Agreement by the Agency.

3. If the Contractor fails to comply with the EBP the Agency may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by the Agency. The Agency may also pursue any and all other remedies at law or in equity for any breach.

4. Failure to comply with the EBP may be used as evidence against the Contractor in actions taken pursuant to the provisions of the Agency's Contractor Responsibility Policy.

5. If the Designated Administrative Agency (DAA) determines that the Contractor has set up or used its Contracting entity for the purpose of evading the intent of the EBP, the Agency may terminate the

Agreement on behalf of the Agency. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Agency's Contractor Responsibility Policy.

C. Contractor Responsibility Policy

Unless otherwise exempt in accordance with the provisions of the Agency's Policy, this Agreement is subject to the provisions of the Contractor Responsibility Policy (CRP), which requires the Contractor to update its responses to the responsibility questionnaire within thirty (30) calendar days after any change to the responses previously provided if such change would affect Contractor's fitness and ability to continue performing the Agreement. In accordance with the provisions of this Policy, by signing this Agreement, the Contractor pledges, under penalty of perjury, to comply with all applicable Federal, state and local laws in the performance of this Agreement, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. The Contractor further agrees to:

1. Notify the Agency within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Contractor is not in compliance with all applicable Federal, state and local laws in performance of this Agreement;

2. Notify the Agency within thirty (30) calendar days of all findings made by a government agency or court of competent jurisdiction that the Contractor has violated the provisions of the CRP;

3. Ensure that its subcontractor(s), as defined in the CRP, submit a Pledge of Compliance to awarding authorities; and

4. Ensure that its subcontractor(s), as defined in the CRP, comply with the requirements of the Pledge of Compliance and the requirement to notify the Agency within thirty (30) calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated the CRP in performance of the subcontract.

33. Construction of Provisions and Titles

All titles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against the Agency or the Contractor.

34. Number of Originals

The number of original texts of this Agreement shall be at least equal to the number of the parties hereto, one text being retained by each party.

Note: The word Contractor refers to any person, firm, organization, etc. awarded an Agreement by the Agency.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES LIVING WAGE POLICY

Findings.

The Community Redevelopment Agency ("Agency") awards many contracts to private firms to provide services to the public and to itself. In addition, many lessees or licensees of Agency property perform services that affect the proprietary interests of the Agency in that their performance impacts the success of Agency operations. The Agency also provides financial assistance and funding to others for the purpose of economic development or job growth. Furthermore, the Agency expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City and the Agency. The Agency intends that the goals underlying this Living Wage Policy ("Policy") serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established, as well as guiding the expenditure of other Agency funds.

Furthermore, experience indicates that procurement by contract of services has all too often resulted in the payment by service contractors to their employees of wages at or slightly above the minimum required by federal and state minimum wage laws. Such minimal compensation tends to inhibit the quantity and quality of services rendered by such employees to the Agency and to the public. Underpaying employees in this way fosters high turnover, absenteeism, and lackluster performance. Conversely, adequate compensation promotes amelioration of these undesirable conditions. Through this Policy the Agency intends to require service contractors to provide a minimum level of compensation that will improve the level of services rendered to and for the Agency.

The inadequate compensation typically paid today also fails to provide service employees with resources sufficient to afford life in Los Angeles. It is unacceptable that contracting decisions involving the expenditure of Agency funds, or other funds available to the Agency, should foster conditions placing a burden on limited social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In requiring the payment of a higher minimum level of compensation, this Policy benefits that interest.

Nothing less than the living wage should be paid by the recipients of Agency financial assistance themselves. Whether they be engaged in manufacturing or some other line of business, the Agency does not wish to foster an economic climate where a lesser wage is all that is offered to the working poor. The same

adverse social consequences from such inadequate compensation emanate just as readily from manufacturing, for example, as service industries. This Policy is meant to protect these employees as well.

The Agency holds a proprietary interest in the work performed by many employees employed by lessees and licensees of Agency property and by their service contractors and subcontractors. In a very real sense, the success or failure of Agency operations may turn on the success or failure of these enterprises, for the Agency has a genuine stake in how the public perceives the services rendered for it by such businesses. Inadequate compensation of these employees adversely impacts the performance by the Agency's lessee or licensee and thereby does the same for the success of City and Agency operations. This Policy is meant to cover all such employees not expressly exempted.

Requiring payment of the living wage serves both proprietary and humanitarian concerns of the Agency.

Finally, it is acknowledged that fundamental purposes of redevelopment, as set forth in state law, include the provision of decent housing and genuine employment opportunities, expansion of the supply of low- and moderate-income housing, expansion of employment opportunities for jobless, underemployed, and low-income persons, and provision of an environment for the social, economic, and psychological growth and well-being of all citizens. The payment of at least a living wage helps to further accomplish this purpose. Moreover, state law provides for the payment of prevailing wages for work performed under specific contracts let for redevelopment work in redevelopment project areas. The payment of a living wage is a logical extension of the intent of that portion of state law.

LEGISLATIVE BASIS
California Community Redevelopment Law, Sections 33070 and 33071.

Sec. 1. Definitions.

The following definitions shall apply throughout this Policy:

a) "**Agency**" means The Community Redevelopment Agency of the City of Los Angeles, California.

b) "**Awarding Authority**" means that subordinate or component entity or Person of the Agency (such as a department) or of the Financial Assistance Recipient that awards or is otherwise responsible for the administration of a Service Contract or Public Lease or License, or, where

there is no such subordinate or component entity or Person, then the Agency or the Agency Financial Assistance Recipient.

c) "**City**" means the City of Los Angeles.

d) "**Contractor**" means any Person that enters into:

(1) a Service Contract with the Agency,

(2) a Service Contract with a proprietary lessee or licensee or sub-lessee or sub-licensee, or

(3) a contract with an Agency Financial Assistance Recipient to assist the recipient in performing the work for which the assistance is being given. Vendors, such as service contractors, of Agency Financial Assistance Recipients shall not be regarded as Contractors except to the extent provided in Subsection (f).

e) "**Designated Administrative Agency (DAA)**" means that City department or office designated by Council resolution to bear administrative responsibilities under Section 10.37.7 of the City Living Wage Ordinance and Section 7. of this Policy. The City Clerk shall maintain a record of such designations.

f) "**Employee**" means any individual - who is not a managerial, supervisory, or confidential employee and who is not required to possess an occupational license - who is employed

(1) as a service employee of a Contractor or Subcontractor on or under the authority of one or more Service Contracts and who expends any of his or her time thereon, including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees;

(2) as a service employee - of a public lessee or licensee, of a sub-lessee or sub-licensee, or of a service Contractor or Subcontractor of a public lessee or licensee, or sub-lessee or sub-licensee - who works on the leased or licensed premises;

(3) by an Agency Financial Assistance Recipient who expends at least half of his or her time on the funded project; or

(4) by a service Contractor or Subcontractor of an Agency Financial Assistance Recipient and who expends at least half of his or her time on

the premises of the Agency Financial Assistance Recipient directly involved with the activities funded by the Agency.

g) "**Employer**" means any Person who is an Agency Financial Assistance Recipient, Contractor, Subcontractor, public lessee, public sub-lessee, public licensee, or public sub-licensee and who is required to have a business tax registration certificate by Los Angeles Municipal Code §§ 21.00 - 21.198 or successor ordinance or, if expressly exempted by the Code from such tax, would otherwise be subject to the tax but for such exemption; provided, however, that corporations organized under §501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. §501(c)(3), whose chief executive officer earns a salary which, when calculated on an hourly basis, is less than eight (8) times the lowest wage paid by the corporation, shall be exempted as to all Employees other than child care workers.

h) "**Financial Assistance Recipient**" means any Person who receives from the Agency discrete financial assistance for economic development or job growth expressly articulated and identified in writing by the Agency, as contrasted with generalized financial assistance such as through tax legislation, in accordance with the following monetary limitations. Assistance given in the amount of one million dollars ($1,000,000) or more in any twelve-month period shall require compliance with this Policy for five years from the date such assistance reaches the one million dollar ($1,000,000) threshold. For assistance in any twelve-month period totaling less than one million dollars ($1,000,000) but at least one hundred thousand dollars ($100,000), there shall be compliance for one year if at least one hundred thousand dollars ($100,000) of such assistance is given in what is reasonably contemplated in writing at the time to be on a continuing basis, with the period of compliance beginning when the accrual during such twelve-month period of such continuing assistance reaches the one-hundred thousand dollar ($100,000) threshold. These thresholds shall be adjusted annually at the Consumer Price Index for the Los Angeles – Long Beach Area at the same time as the living wage is adjusted under section 10.37.2 (a) of the City Living Wage Ordinance or successor ordinance. For the purpose of determining whether a particular Financial Assistance Recipient qualifies under these thresholds, financial assistance provided by the City and financial assistance provided by the Agency shall both be counted; however, financial assistance provided by the City and administered or otherwise channeled through the Agency shall not be counted more than one time.

Categories of such assistance include, but are not limited to: Agency approved bond financing; Agency planning assistance which results in a discrete monetary benefit to the Financial Assistance Recipient such as a fee reduction or fee waiver; tax increment financing exclusively by the Agency; construction of off-site public improvements by the Agency that would otherwise be the responsibility of the Financial Assistance Recipient; land write-downs and tax credits; and shall not include assistance provided by the Community Development Bank. Agency

staff assistance shall not be regarded as financial assistance for purposes of this Policy. A loan shall not be regarded as financial assistance; however, the forgiveness of a loan shall be regarded as financial assistance. The previous sentence notwithstanding, a loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sub-lessees.

A recipient shall be exempted from application of this Policy if:

(1) it is in its first year of existence, in which case the exemption shall last for one (1) year,

(2) it employs fewer than five (5) Employees for each working day in each of twenty (20) or more calendar weeks in the current or preceding calendar year, or

(3) it obtains a waiver as provided herein.
A recipient - who employs the long-term unemployed or provides trainee positions intended to prepare Employees for permanent positions, and who claims that compliance with this Policy would cause an economic hardship - may apply in writing to the Agency, which shall consider and act upon such application. Waivers shall be effected by resolution of the Agency Board of Commissioners.

i) "**Ordinance**" means the Living Wage Ordinance of the City of Los Angeles, codified as Section 10.37 of the City Administrative Code, as it may be from time to time amended as provided therein.

j) "**Person**" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

k) "**Public Lease or License**".

(a) Except as provided in (k)(b), "**Public Lease or License**" means a lease or license of Agency property on which services are rendered by Employees of the public lessee or licensee or sub-lessee or sub-licensee, or of a Contractor or Subcontractor, but only where any of the following applies:

(1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or

(2) Any of the services could feasibly be performed by Agency employees if the awarding authority had the requisite financial and staffing resources; or

(3) The DAA has determined in writing that coverage would further the proprietary interests of the Agency.

(b) A public lessee or licensee will be exempt from the requirements of this Policy subject to the following limitations:

(1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars ($350,000), from business conducted on Agency property;

(2) The lessee or licensee employs no more than seven (7) people total in the company on and off Agency property;

(3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the Awarding Authority as required by regulation established by the DAA for the equivalent section of the Living Wage Ordinance;

(4) Whether annual gross revenues are less than three hundred fifty thousand dollars ($350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;

(5) The annual gross revenue threshold shall be adjusted annually at the Consumer Price Index for the Los Angeles – Long Beach Area at the same rate and at the same time as the living wage is adjusted under section 10.37.2 (a) of the City Living Wage Ordinance or successor ordinance;

(6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;

(7) Public Leases and Licenses shall be deemed to include public subleases and sublicenses;

(8) If a Public Lease or License has a term of more than two (2) years, the exemption granted pursuant to this Section shall expire after two (2) years but shall be renewable in two-year increments upon meeting

the requirements therefore at the time of the renewal application or such period established by regulation.

(c) A Public Lease or License does not include a permit to enter.

l) "**Service Contract**" means a contract let to a Contractor by the Agency primarily for the furnishing of services to or for the Agency (as opposed to the purchase of goods or other property or the leasing or renting of property) and that involves an expenditure in excess of twenty-five thousand dollars ($25,000) and a contract term of at least three (3) months; but only where any of the following applies:

(1) at least some of the services rendered are rendered by employees whose work site is on property owned by the Agency;

(2) the services could feasibly be performed by Agency employees if the Awarding Authority had the requisite financial and staffing resources, or

(3) the DAA has determined in writing that coverage would further the proprietary interests of the Agency.

m) "**Subcontractor**" means any Person not an Employee that enters into a contract (and that employs Employees for such purpose) with:

(1) a Contractor or Subcontractor to assist the Contractor in performing a Service Contract; or

(2) a Contractor or Subcontractor of a proprietary lessee or licensee or sub-lessee or sub-licensee to perform or assist in performing services on the leased or licensed premises. Vendors, such as service contractors or subcontractors, of Agency Financial Assistance Recipients shall not be regarded as Subcontractors except to the extent provided in Subsection (f) of this Section 1 (Definitions).

n) "**Willful Violation**" means that the Employer knew of his, her, or its obligations under this Policy and deliberately failed or refused to comply with its provisions.

Sec. 2. Payment of Minimum Compensation to Employees.

a) **Wages.** Employers shall pay Employees a wage of no less than the hourly rates set by the City pursuant to the City's Living Wage Ordinance (Article 10.37 et. Seq. of the City Administrative Code) as it may be amended from time to time. The initial rates were seven dollars and twenty-five cents ($7.25) per hour with health benefits, as described in the Ordinance, or otherwise eight dollars and fifty cents ($8.50) per hour. With the annual adjustment effective July 1, 1998, such rates were adjusted to seven dollars and thirty-nine cents ($7.39) per hour with health benefits and eight dollars and sixty-four cents ($8.64) without. At the time of approval of this Policy by the Agency (May 2003), the rates were eight dollars and twenty-six cents ($8.26) per hour with health benefits and nine dollars and fifty-two cents ($9.52) per hour without, and were scheduled to rise to eight dollars and fifty-three cents ($8.53) per hour with health benefits and nine dollars and seventy-eight cents ($9.78) per hour without on July 1, 2003. Such rates shall continue to be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System ("LACERS"), made by the CERS Board of Administration under § 4.1040 of the Los Angeles Administrative Code. The Office of the City Administrative Officer shall so advise the DAA of any such change by June 1 of each year and of the required new hourly rates, if any, and the DAA in turn shall notify the Agency within 15 calendar days of any such change. On the basis of such report the DAA shall publish a bulletin announcing the adjusted rates, which shall take effect upon such publication.

b) **Compensated Days Off.** Employers shall provide at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the Employee's request. Employers shall also permit Employees to take at least an additional ten (10) days a year of uncompensated time to be used for sick leave for the illness of the Employee or a member of his or her immediate family where the Employee has exhausted his or her compensated days off for that year.

Sec. 3. Health Benefits.

Health benefits required by this Policy shall consist of the payment of at least one dollar and twenty-five cents ($1.25) per hour towards the provision of health care benefits for Employees and their dependents. Proof of the provision of such benefits must be submitted to the Awarding Authority to qualify for the wage rate in Section 2. (a) for Employees with health benefits.

Sec. 4. Notifying Employees of their Potential Right to the Federal Earned Income Credit.

Employers shall inform Employees making less than twelve dollars ($12.00) per hour of their possible right to the federal Earned Income Credit ("**EIC**") under Section 32 of the Internal Revenue Code of 1954, 26 U.S.C. Section 32, and shall make available to Employees forms informing them about the EIC and forms required to secure advance EIC payments from the Employer.

Sec. 5. Retaliation Prohibited.

Neither an Employer, as defined in this Policy, nor any other Person employing individuals shall discharge, reduce in compensation, or otherwise discriminate against any Employee for complaining to the Agency or the City with regard to the Employer's compliance or anticipated compliance with this Policy, for opposing any practice proscribed by this Policy, for participating in proceedings related to this Policy, for seeking to enforce his or her rights under this Policy by any lawful means, or for otherwise asserting rights under this Policy.

Sec. 6. Enforcement.

a) Compliance with this Policy shall be required in all Agency contracts to which it applies, and such contracts shall provide (i) that the contract is subject to the provisions of this Policy and (ii) that violation of this Policy shall constitute a material breach thereof and entitle the Agency to terminate the contract and otherwise pursue legal remedies that may be available. Such contracts shall also include a pledge that there shall be compliance with federal law proscribing retaliation for union organizing.

b) An Employee claiming violation of this Policy may report such claimed violation to the DAA which shall investigate such complaint. Whether based upon such a complaint or otherwise, where the DAA has determined that an Employer has violated this Policy, the DAA shall issue a written notice to the Employer that the violation is to be corrected within ten (10) days. In the event that the Employer has not demonstrated to the DAA within such period that it has cured such violation, the DAA may then:

(1) Request the Awarding Authority to declare a material breach of the service contract, public lease or license, or financial assistance agreement and exercise its contractual remedies thereunder, which are to include, but not be limited to, termination of the Service Contract, Public Lease or License, or financial

assistance agreement and the return of monies paid by the Agency for services not yet rendered.

(2) Request the City Council to debar the Employer from future City contracts, leases, and licenses for three (3) years or until all penalties and restitution have been fully paid, whichever occurs last. Such debarment shall be to the extent permitted by, and under whatever procedures may be required by, law.

(3) For itself, request the Agency to debar the Employer from future Agency contracts, leases, and licenses for three (3) years or until all penalties and restitution have been fully paid, whichever occurs last. Such debarment shall be to the extent permitted by, and under whatever procedures may be required by, law.

(3) Request the City Attorney to bring a civil action against the Employer seeking:

(i) Where applicable, payment of all unpaid wages or health premiums prescribed by this Policy; and/or

(ii) A fine payable to the Agency in the amount of up to one hundred dollars ($100.00) for each violation for each day the violation remains uncured.

Where the alleged violation concerns non-payment of wages or health premiums, the Employer will not be subject to debarment or civil penalties if it pays the monies in dispute into a holding account maintained by the Agency for such purpose. Such disputed monies shall be presented to a neutral arbitrator for binding arbitration. The arbitrator shall determine whether such monies shall be disbursed, in whole or in part, to the Employer or to the Employee(s) in question. Regulations promulgated by the DAA shall establish the framework and procedures of such arbitration process. The cost of arbitration shall be borne by the Agency, unless the arbitrator determines that the Employer's position in the matter is frivolous, in which event the arbitrator shall assess the Employer for the full cost of the arbitration. Interest earned by the Agency on monies held in the holding account shall be added to the principal sum deposited, and the monies shall be disbursed in accordance with the arbitration award. A service charge for the cost of account maintenance and service may be deducted therefrom.

c) Notwithstanding any provision of this Policy or any other ordinance, law or policy to the contrary, no criminal penalties shall attach for violation of this Policy.

Sec. 7. Administration.

The City Council has by resolution designated the Office of the City Administrative Officer as the office which shall promulgate rules for implementation of the Ordinance and otherwise coordinate administration of the requirements of the Ordinance ("**Designated Administrative Agency**" - DAA). The Agency, by the adoption of this Policy, shall also designate the Office of the City Administrative Officer as the office for implementation of this Policy and to otherwise coordinate administration of the requirements of this Policy. The DAA shall monitor compliance, including the investigation of claimed violations, and shall promulgate implementing regulations consistent with this Policy, which shall be consistent with those promulgated for the administration of the Ordinance. The DAA shall also issue determinations that persons are Agency Financial Assistance Recipients, that particular contracts shall be regarded as "**Service Contracts**" for purposes of this Policy, and that particular leases and licenses shall be regarded as "**Public Leases**" or "**Public Licenses**" for purposes of this Policy, when it receives an application for a determination of non-coverage or exemption as provided for in Section 13. The DAA shall also establish Employer reporting requirements on Employee compensation and on notification about and usage of the federal Earned Income Credit referred to in Section 4. The DAA shall report on compliance to the Agency Board of Commissioners no less frequently than annually.

During the years it is required to do so under the Ordinance, the Office of the City Administrative Officer and the Chief Legislative Analyst shall conduct or commission an evaluation of this Policy's operation and effects. The evaluation shall specifically address at least the following matters:

a) how extensively affected Employers are complying with the Policy;

b) how the Policy is affecting the workforce composition of affected Employers;

c) how the Policy is affecting productivity and service quality of affected Employers;

d) how the additional costs of the Policy have been distributed among workers, their Employers, the Agency and City. Within ninety days of the adoption of this Policy, these offices, in consultation with the Agency Chief Executive Officer or designee, shall develop detailed plans for evaluation, including a determination of what current and future data will be needed for effective evaluation.

Sec. 8. Exclusion of Service Contracts from Competitive Bidding Requirement.

Service contracts otherwise subject to competitive bid shall be let by competitive bid if they involve the expenditure of at least two-million dollars ($2,000,000).

Sec. 9. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This Policy shall not be construed to limit an Employee's right to bring legal action for violation of other minimum compensation laws.

Sec. 10. Expenditures Covered.

This Policy shall apply to the expenditure - whether through aid to Agency Financial Assistance Recipients, Service Contracts let by the Agency, or Service Contracts let by its Financial Assistance Recipients - of funds entirely within the Agency's control and to other funds, such as federal or state grant funds, where the application of this Policy is consonant with the laws authorizing the Agency to expend such other funds.

Sec. 11. Timing of Application.

This Policy shall apply to all contracts or agreements, and all amendments to such contracts or agreements, which are defined herein as being subject to this Policy, which are executed beginning 31 days following the approval of this Policy by the Los Angeles City Council.

Sec. 12. Supersession by Collective Bargaining Agreement.

Parties subject to this Policy may by collective bargaining agreement provide that such agreement shall supersede the requirements of this Policy.

Sec. 13. Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.

The definitions of "**Financial Assistance Recipient**" in Section (1)(h), of "**Public Lease or License**" in Section (1)(k), and of "**Service Contract**" in Section (1)(l) shall be liberally interpreted so as to further the intent of this Policy. All recipients of Agency financial assistance meeting the monetary thresholds of Section (1)(h), all Agency leases and licenses (including subleases and sublicenses) where the Agency is the lessor or licensor, and all Agency contracts providing for services that are more than incidental, shall be presumed to meet the corresponding definition just mentioned, subject, however, to a determination by the DAA of non-coverage or exemption on

any basis allowed by this Policy, including, but not limited to, non-coverage for failure to satisfy such definition. The DAA shall by regulation establish procedures for informing persons engaging in such transactions with the Agency of their opportunity to apply for a determination of non-coverage or exemption and procedures for making determinations on such applications. In cases where a Person is subject to both this Policy and the Ordinance, the Ordinance shall prevail. However, in cases where the City's assistance alone would not require a Financial Assistance Recipient, a public lessee or public licensee to comply with the Ordinance, but the Agency's assistance, combined with the City's assistance, meets the thresholds of this Policy, then the provisions of this Policy shall apply.

Sec. 14. Severability.

If any provision of this Policy is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

Sec. 15. Amendment.

This Policy may be amended by the Agency Board of Commissioners at any time upon due notice, and subject to City Council review and approval. In addition, if the City Council at any time amends the Ordinance as set forth in Article 11 of Chapter 1 of Division 10 of the City Administrative Code, Agency staff shall, within 60 days of the effective date of any such amendment, inform the Agency Board of any such amendment and provide to the Board a proposed amendment to this Policy to bring the Policy into conformance with the Ordinance as so amended. The Agency Board of Commissioners shall consider a corresponding amendment to this Policy at a duly noticed meeting not less than seven nor more than 45 days following the presentation of the proposed amendment to the Agency Board by Agency staff. If the Agency Board adopts any such amendment to bring the Policy into conformance with the amended Ordinance, it shall be deemed approved ten days following transmittal to the City Council of notice of the Board's action. If the Agency Board approves any amendment to the Policy that does not bring the Policy into conformance with the amended Ordinance, such amendment to the Policy shall be subject to City Council review and approval, and shall take effect 31 days after said approval by the City Council.

Adopted by the Community Redevelopment Agency Board of Commissioners May 29, 2003
Amended June 19, 2003
Approved by the Los Angeles City Council September 26, 2003
Effective October 28, 2003

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES
POLICY ON CONTRACTOR RESPONSIBILITY
CONTRACTOR RESPONSIBILITY PROGRAM

Purpose

Each year the Agency spends millions of dollars contracting for the delivery of products and services from private sector Contractors. The prudent expenditure of public dollars requires that the Agency's procurement process result in the selection of qualified and responsible Contractors who have the capability to perform the Contract. Further, many lessees or licensees of Agency property perform services that affect the proprietary interests of the Agency in that their performance impacts the success of Agency operations. The Agency also provides financial assistance and funding to others for a variety of purposes. The Agency expends grant funds under programs created by federal and state government. The Agency intends that the procurement procedures set forth in this Policy guide the expenditure of federal and state grant funds to the extent permitted by federal or state procurement regulations.

Sec. 1 Definitions

a) **"Agency"** means The Community Redevelopment Agency of the City of Los Angeles, California.

b) **"City"** means the City of Los Angeles, California.

c) **"Awarding Authority"** means any department or unit of the Agency, or any employee or officer of the Agency, that is authorized to award or enter into any contract as defined herein, on behalf of the Agency.

d) **"Contract"** means any agreement for the performance of any work or service, the provision of any goods, equipment, materials or supplies, or the rendition of any service to the Agency or the public, or the grant of Agency financial assistance or a Public Lease or License, which is let, awarded or entered into by, or on behalf of, the Agency. Contracts for services and for purchasing goods and products that involve a value in excess of twenty-five thousand dollars ($25,000) and a term in excess of three months are covered by this policy. Construction contracts are covered by this Policy without regard to contract amount and term.

e) **"Contractor"** means any Person which enters into a Contract with any Awarding Authority of the Agency, and includes an Agency Financial Assistance Recipient and a Public Lessee or Licensee.

f) **"Subcontractor"** means any Person not an employee who enters into a Contract with a Contractor to assist the Contractor in performing a Contract, including a Contractor or Subcontractor of a public lessee or licensee or sub-lessee or sub-licensee, to perform or assist in performing services on the leased or licensed premises. The term Subcontractor does not include vendors or suppliers to Agency purchasing Contractors, unless the purchasing Contract is for the purchase of garments such as uniforms or other apparel.

f) **"Bidder"** means any Person or entity that applies for any Contract whether or not the application process is through an Invitation for Bid, Request for Proposal, Request for Qualifications or other procurement process.

h) **"Bid"** means any application submitted by a Bidder in response to an Invitation for Bid, Request for Proposal, Request for Qualifications or other procurement process.

i) **"Invitation for Bid"** means the process through which the Agency solicits Bids including Requests for Proposals and Requests for Qualifications.

j) **"Agency Financial Assistance Recipient"** means any Person who receives from the Agency discrete financial assistance in the amount of One Hundred Thousand Dollars ($100,000.00) or more for economic development or job growth expressly articulated and identified by the Agency, as contrasted with generalized financial assistance as through tax legislation. These thresholds shall be adjusted annually at the Consumer Price Index for the Los Angeles – Long Beach Area at the same time as the living wage is adjusted under Section 10.37.2(a) of the City Living Wage Ordinance or successor ordinance. For the purpose of determining whether a particular Agency Financial Assistance Recipient qualifies under these thresholds, financial assistance provided by the City and financial assistance provided by the Agency shall both be counted; however, financial assistance provided by the City and administered or otherwise channeled through the Agency shall not be counted more than one time.

Categories of such assistance shall include, but are not limited to: Agency approved bond financing; Agency planning assistance which results in a discrete monetary benefit to the Agency Financial Assistance Recipient such as a fee reduction or a fee waiver; tax increment financing; construction of off-site public improvements by the Agency that would otherwise be the responsibility of the Agency Financial Assistance Recipitent; land write-downs and tax credits; and shall not include assistance provided by the Community Development Bank. Agency staff assistance shall not be regarded as financial assistance for purposes of

this Policy. A loan shall not be regarded as financial assistance; however, the forgiveness of a loan shall be regarded as financial assistance. The previous sentence notwithstanding, a loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7672(f). A recipient shall not be deemed to include lessees and sub-lessees.

k) **"Public Lease or License"** means a lease or license of Agency property as defined in the Agency Living Wage Policy, adopted by the Agency Board of Commissioners on May 29, 2003.

l) **"Designated Administrative Agency (DAA)"** means the City department(s), board(s), or office(s) designated by City Council to bear administrative responsibility under the City Contractor Responsibility Program, enacted by Ordinance No. 173,677 as Article 14 of Chapter 1 of Division 10 of the Los Angeles Administrative Code, or successor. The City Clerk shall maintain a record of such designation.

m) "**Person**" means any individual, proprietorship, partnership, firm, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into Contracts.

Sec. 2 Determination of Contractor Responsibility

a) Prior to awarding a Contract, the Agency shall make a determination that the prospective Contractor is one that has the necessary quality, fitness and capacity to perform the work set forth in the Contract. Responsibility will be determined by each Awarding Authority from reliable information concerning a number of criteria, including but not limited to: management expertise; technical qualifications; experience; organization, material, equipment and facilities necessary to perform the work; financial resources; satisfactory performance of other contracts; satisfactory record of compliance with relevant laws and regulations; and satisfactory record of business integrity.

b) Every Bidder for an Agency Contract must complete and submit with its Bid a questionnaire developed by the DAA which will provide information the Awarding Authority needs in order to determine if the Bidder meets the criteria set forth in paragraph (a) of this Section. If no Bid is required, the prospective Contractor must still submit a questionnaire. The response to the questionnaire must be signed under penalty of perjury. If, after execution of a Contract, the City or the Agency learns that the Contractor submitted false information on the questionnaire, the Agency may terminate the Contract and pursue remedies set forth in Section 6 of this

Policy. The Contractor shall be obligated to update its responses to the questionnaire during the term of the Contract within thirty calendar days after any change to the responses previously provided if such change would affect Contractor's fitness and ability to continue performing the Contract. The Agency may consider failure of the Contractor to update the questionnaire with this information as a material breach of the Contract and invoke the remedies set forth in Section 6 of this Policy.

c) Questionnaires will be public records and information contained therein will be available for public review, except to the extent that such information is exempt from disclosure pursuant to applicable law. The Awarding Authority may rely on responses to the questionnaire, information from compliance and regulatory agencies and/or independent investigation to determine Bidder responsibility.

c) Before being declared non-responsible, a Bidder shall be notified of the proposed determination of non-responsibility, served with a summary of the information upon which the Awarding Authority is relying and provided with an opportunity to be heard in accordance with applicable law. The hearing shall be before a staff person designated by the Agency's Chief Executive Officer and shall generally be a staff member familiar with the Agency's procurement process (the "Staff Hearing Officer"). At the responsibility hearing, the Bidder will be allowed to rebut adverse information and to provide evidence that it has the necessary quality, fitness and capacity to perform the work. The Bidder must exercise its right to request a hearing within five calendar days after receipt of such notice. Failure to submit a written request for a hearing within the time frame set forth in this Section will be deemed a waiver of the right to such a hearing and the Awarding Authority may proceed to determine whether or not the award of the Contract should be made to another Bidder or whether or not the Bidder is non-responsible for this and future Contracts. The determination by an Awarding Authority that the Bidder is non-responsible may be appealed to the Agency Board of Commissioners under rules established by the Agency. The Agency's determination shall be based upon its review of the information upon which the Awarding Authority relied in making its determination, and that information submitted by the Contractor in contesting the Awarding Authority's determination. The determination of the Agency Board of Commissioners shall be final and constitute exhaustion of the Bidder's administrative remedies.

e) A list of individuals and entities which have been determined to be non-responsible by the City and the Agency shall be maintained by the DAA. After two years from the date the individual or entity has been determined to be non-responsible, the individual or entity may request removal from the list by the City and/or the Agency. If the individual or entity can satisfy the City and/or the Agency that it has the necessary quality, fitness, and

capacity to perform work in accordance with the criteria set forth in paragraph (a) of this Section, its name shall be removed from the list. Unless otherwise removed from the list by the City or Agency, names shall remain on the list for five years from the date of being declared non-responsible.

f) Contractors shall ensure that their Subcontractors meet the criteria for responsibility as set forth in paragraph (a) of this Section, unless the subcontract is below the threshold requirements for Contracts contained in Section 1(b).

Sec. 3 Compliance with All Laws

a) Contractors shall comply with all applicable federal, state and local laws in the performance of the Contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.

b) Contractors shall notify the Awarding Authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Contractor is not in compliance with paragraph (a) of this Section. Initiation of an investigation is not, by itself, a basis for a determination of non-responsibility by an Awarding Authority.

c) Contractors shall notify the Awarding Authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the Contractor has violated paragraph (a) of this Section.

(d) Upon award of a Contract, Contractors shall complete a Pledge of Compliance attesting under penalty of perjury to compliance with paragraph (a) of this Section. Whenever any Contract which was not initially subject to this Policy is amended, the Contractor shall complete a Pledge of Compliance attesting under penalty of perjury to compliance with paragraph (a) of this Section.

e) Contractors shall ensure that their Subcontractors complete a Pledge of Compliance attesting under penalty of perjury to compliance with paragraph (a) of this Section, unless the subcontract is below the threshold requirements for Contracts contained in Section 1 (b).

f) Contractors shall ensure that their Subcontractors comply with paragraphs (b) and (c) of this Section, unless the subcontract is below the threshold requirements for contracts contained in Section 1 (b).

Sec. 4 Exemptions

a) In order to promote the purposes of this Policy and to protect the Agency's interests, the following Contracts are exempt from its application:

(1) Contracts with a governmental entity such as the United States of America, the State of California, a county, city or public agency of such entities, or a public or quasi-public corporation located therein and declared by law to have such public status.

(2) Contracts for the investment of trust moneys or agreements relating to the management of trust assets.

(3) Banking contracts entered into by the Treasurer or Chief Financial Officer pursuant to California Government Code Section 53630 et seq.

b) In order to promote the purposes of this Policy and to protect the Agency's interests, the following Contracts are exempt from application of Section 2 of this Policy:

(1) Contracts awarded on the basis of exigent circumstances whenever the Agency finds that the Agency would suffer a financial loss or that Agency operations would be adversely impacted unless exempted from the provisions of Section 2. This finding must be approved by the Agency Board of Commissioners and reported to the DAA prior to contract execution.

(2) Contracts awarded for repairs, alterations, work or improvements declared in writing by the Administrator/Chief Executive Officer or designee, to be of urgent necessity for the preservation of life, health or property. The declaration shall give the reasons for the urgent necessity and must be approved by the Agency Board of Commissioners. Approval may be conditioned upon compliance with one or more of the requirements of this Policy.

(3) Contracts entered into in time of war or during national, state or local emergency declared in accordance with federal, state or local law, where the City Council, by resolution adopted by two-thirds vote and approved by the Mayor, suspends any or all of the restrictions on Contract award as provided for in Section 371(e)(6) of the Los Angeles City Charter, or successor provision, or their applicability.

(4) Contracts for equipment repairs or parts obtained from the manufacturer of the equipment or its exclusive agent.

(5) Contracts for cooperative arrangement with other governmental agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts of those agencies and any implementing agreements, even though the contracts and implementing agreements were not entered into through a competitive bid process.

(6) Contracts where the goods or services are proprietary or only available from a single source.

Sec. 5 Administration

a) The DAA shall promulgate rules and regulations for implementation of this Policy which are consistent with those promulgated for implementation of the City's Contractor Responsibility Program.

b) The DAA shall develop a questionnaire to be used by awarding authorities for determining Bidder responsibility within sixty days after the effective date of this Policy.

c) The DAA shall monitor compliance with this Policy including investigation of alleged violations.

Sec. 6 Enforcement

a) Contracts shall provide that (i) the contract is subject to the terms of this Policy and (ii) violation of this Policy shall constitute a material breach thereof and entitle the Agency to terminate the Contract and otherwise pursue legal remedies that may be available.

b) Compliance with Section 3 of this Policy shall be required in Contract amendments, if the initial Contract was not subject to the provisions of this Policy. Contract amendments shall provide that violation of Section 3 shall constitute a material breach thereof and entitle the Agency to terminate the Contract and otherwise pursue legal remedies that may be available.

c) Violations of this Policy may be reported to the DAA, the Agency and/or the Awarding Authority. The DAA shall investigate such complaint. Whether based upon such complaint or otherwise, if the DAA has determined that the Contractor has violated any provision of this Policy, the DAA shall issue a written notice to the Contractor that the violation is to be corrected within ten calendar days from receipt of notice, which notice shall also be sent to the Agency Administrator/Chief Executive Officer or designee. In the event the Contractor has not corrected the

violation, or taken reasonable steps to correct the violation within ten calendar days, then the DAA may:

(1) Request the Agency to declare a material breach of the Contract and exercise its contractual remedies thereunder, which are to include but not be limited to termination of the Contract.

(2) Request the Agency to declare the Contractor to be non-responsible in accordance with the procedures set forth in Section 2 of this Policy.

Sec. 7 Application of This Policy

a) This Policy shall be applicable to Invitations to Bids issued after the Policy, the rules described in Section 2(d) and the rules and regulations set forth in Section 5 of this Policy have been adopted by the Agency Board of Commissioners and City Council.

b) This Policy shall be applicable to Contracts entered into after the aforementioned rules and regulations have been adopted by the Agency Board of Commissioners and City Council, unless the Contract is awarded pursuant to an Invitation to Bid issued prior to adoption of the rules and regulations by City Council.

c) Section 3 of this Policy shall be applicable to Contract amendments, entered into after the rules and regulations have been adopted by the Agency Board of Commissioners and City Council if the initial Contract was not subject to the provisions of this Policy.

Sec. 8 Consistency with Federal or State Law

The provisions of this Policy shall not be or where the application would violate or be inconsistent with the terms or condition of a grant or contract with an agency of the United States, the State of California or the instruction of an authorized representative of any such agency with respect to any such grant or contract. The Agency shall be required to comply with all applicable provisions of the California Public Contract Code on public projects. Where applicable provisions of the California Public Contract Code conflict with this Policy, the applicable California Public Contract Code provisions shall control. In cases where a Person, including an Agency Financial Assistance Recipient, is subject to both this Policy and the City Contractor Responsibility Ordinance (or successor ordinance, if any), the Ordinance shall prevail. However, in cases where the City's assistance alone would not require compliance, but the Agency's assistance, combined with the City's assistance, meets the thresholds of this Policy, the provisions of this Policy shall apply.

Sec. 9 Severability

If any provision of this Policy is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

Sec. 10 Amendment

This Agency Contractor Responsibility Program (Policy on Contractor Responsibility) may be amended by the Agency Board of Commissioners at any time, subject to City Council review and approval. In addition, if the City amends the City's Contractor Responsibility Program as set forth in the City Administrative Code at Article 14 of Chapter 1 of Division 10, Agency staff shall, within 60 days of the effective date of any such amendment, inform the Agency Board of any such amendment and provide to the Board a proposed amendment to this Policy and Program to bring the Policy and Program into conformance with the Ordinance as so amended. The Agency Board of Commissioners shall consider a corresponding amendment to this Policy at a duly noticed meeting not less than seven nor more than 45 days following the presentation of the proposed amendment to the Agency Board by Agency staff. If the Agency Board adopts any such amendment to bring the Policy and Program into conformance with the amended Ordinance, it shall be deemed approved ten days following transmittal to the City Council of notice of the Board's action. If the Agency Board approves any amendment to the Policy and Program that does not bring the Policy and Program into conformance with the amended Ordinance, such amendment to the Policy shall be subject to City Council review and approval, and shall take effect 31 days after said approval by the City Council.

Amendments adopted by the Community Redevelopment Agency Board of Commissioners March 3, 2005
Adopted by the Community Redevelopment Agency Board of Commissioners May 29, 2003
Approved by the Los Angeles City Council September 26, 2003
Effective October 28, 2003

ATTACHMENT
ADDENDUM TO CONTRACTOR RESPONSIBILITY POLICY
RULES GOVERNING PROCEDURES FOR APPEAL OF A DETERMINATION OF NON-RESPONSIBILITY

As set forth in the Policy for Contractor Responsibility, before being declared non-responsible, a Bidder shall be notified of the proposed determination of non-responsibility, served with a summary of the information upon which the Awarding Authority is relying and provided with an opportunity to be heard in accordance with applicable law. The hearing shall be before a staff person designated by the Agency's Chief Executive Officer and shall generally be a staff member familiar with the Agency's procurement process (the "Staff Hearing Officer"). At the responsibility hearing, the Bidder will be allowed to rebut adverse information and to provide evidence that it has the necessary quality, fitness and capacity to perform the work.

The Bidder must exercise its right to request a hearing within five calendar days after receipt of such notice. Failure to submit a written request for a hearing setting forth in detail the Bidder's grounds for appeal within the time frame set forth in this Section will be deemed a waiver of the right to such a hearing and the Awarding Authority may proceed to determine whether or not the award of the Contract should be made to another Bidder or whether or not the Bidder is non-responsible for this and future Contracts. When such a hearing has been requested, the Staff Hearing Officer shall establish a time and place for the hearing that shall be no more than ten working days from the receipt of the written request for the hearing, unless the Bidder requests additional time. The Staff Hearing Officer shall render its determination in writing no more than ten working days following the hearing.

The determination by the Staff Hearing Officer that the Bidder is non-responsible may be appealed to the Agency Board of Commissioners under these rules. An appeal of the determination of the Staff Hearing Officer shall be made in writing within five calendar days of receipt of the written determination of the Staff Hearing Officer setting forth in detail the Bidder's grounds for appeal. The Staff Hearing Officer shall then place the matter on the Agenda of a meeting of the Agency Board of Commissioners taking place no les than five nor more than twenty-one calendar days from receipt of the written request, except that if there is no meeting of the Agency Board within this time period, the matter shall be placed on the Agenda of the next meeting of the Agency Board of Commissioners thereafter.

The Agency's determination shall be based upon its review of the information upon which the Staff Hearing Officer relied in making its determination, and that information submitted by the Contractor in contesting the Awarding Authority's determination. The determination of the Agency Board of Commissioners shall be final and constitute exhaustion of the Bidder's administrative remedies.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES SERVICE CONTRACTOR RETENTION POLICY

Findings and Statement of Policy

The Community Redevelopment Agency ("Agency") awards many contracts to private firms to provide services to the public and to the Agency. The Agency also provides financial assistance and funding to others for the purpose of economic development or job growth. At the conclusion of the terms of a service contract with the Agency or with those receiving financial assistance from the Agency, competition results in the awarding of a service contract to what may be a different contractor. These new contracts often involve anticipated changes in different managerial skills, new technology or techniques, new themes or presentations, or lower costs.

The Agency expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City and the Agency. The Agency intends that the policies underlying this Policy serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Despite desired changes through the process of entering into new contracts, it is the experience of the Agency that reasons for change do not necessarily include a need to replace workers presently performing services who already have useful knowledge about the workplace where the services are performed.

Incumbent workers have already invaluable knowledge and experience with the work schedules, practices, and clients. The benefits of replacing these workers without such experiences decreases efficiency and results in a disservice to the Agency and Agency financed or assisted projects.

Retaining existing service workers when a change in contractors occurs reduces the likelihood of labor disputes and disruptions. The reduction of the likelihood of labor disputes and disruptions results in the assured continuity of services to citizens who receive services provided by the Agency or by Agency financed or assisted projects.

It is unacceptable that contracting decisions involving the expenditure of Agency funds should have any potential effect of creating unemployment and the consequential need for social services. The City, as a principal provider of social support services, has an interest in the stability of employment under contracts

with the Agency or by those receiving financial assistance from the Agency. The retention of existing workers benefits that interest.

Sec. 1. Definitions

The following definitions shall apply throughout this Policy:

(a) "Agency" means The Community Redevelopment Agency of the City of Los Angeles, California.

(b) "Awarding Authority" means that subordinate or component entity or person of the Agency (such as a department) or of the Agency Financial Assistance Recipient that awards or is otherwise responsible for the administration of a Service Contract or, if none, then the Agency or the Agency Financial Assistance Recipient.

(c) "City" means the City of Los Angeles, but excludes the Agency.

(d) "Agency Financial Assistance Recipient" means any Person that receives from the Agency discrete financial assistance expressly articulated and identified by the Agency in excess of one hundred thousand dollars ($100,000), such as through Agency approved bond financing; Agency planning assistance which results in a discrete monetary benefit to the Agency Financial Assistance Recipient; tax increment financing exclusively by the Agency; construction of off-site public improvements by the Agency that would otherwise be the responsibility of the Agency Financial Assistance Recipient; land write-downs; tax credits; or any other form of financial assistance if the purpose of such other form of assistance is economic development or job growth; provided, however, that corporations organized under § 501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. § 501(c)(3), with annual operating budgets of less than five million dollars ($5,000,000) or that regularly employ homeless persons, persons who are chronically unemployed, or persons receiving public assistance, shall be exempt. These thresholds shall be adjusted annually at the Consumer Price Index for the Los Angeles – Long Beach Area at the same time as the living wage is adjusted under Section 10.37.2(a) of the City Living Wage Ordinance or successor ordinance. For the purpose of determining whether a particular Agency Financial Assistance Recipient qualifies under these thresholds, financial assistance provided by the City and financial assistance provided by the Agency shall both be counted; however, financial assistance provided by the City and administered or otherwise channeled through the Agency shall not be counted more than one time.

(e) "Contractor" means any Person that enters into a Service Contract with the Agency or an Agency Financial Assistance Recipient.

(f) "Employee" means any person employed as a service employee of a Contractor or Subcontractor earning less than fifteen dollars ($15.00) per hour in salary or wage whose primary place of employment is in the City on or under the authority of a Service Contract and including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; and does not include a person who is (1) a managerial, supervisory, or confidential employees, or (2) required to possess an occupational license.

(g) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(h) "Service Contract" means a contract let to a Contractor by the Agency or an Agency Financial Assistance Recipient primarily for the furnishing of services to or for the Agency or the Agency Financial Assistance Recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of twenty-five thousand dollars ($25,000) and a contract term of at least three months.

(i) "Subcontractor" means any Person not an Employee that enters into a contract with a Contractor to assist the Contractor in performing a Service Contract and that employs Employees for such purpose.

(j) "Successor Service Contract" means a Service Contract where the services to be performed are substantially similar to a Service Contract that has been recently terminated.

See. 2. Transition Employment Period

(a) Where an Awarding Authority has given notice that a Service Contract has been terminated, or where a service Contractor has given notice, of such termination, upon receiving or giving such notice, as the case may be, the terminated Contractor shall within ten (10) days thereafter provide to the successor Contractor the name, address, date of hire, and employment occupation classification of each Employee in employment, of itself or Subcontractors, at the time of Contract termination. If the terminated Contractor has not learned the identity of the successor Contractor, if any, by the time that notice was given of Contract termination, the terminated Contractor shall obtain such information from the Awarding Authority. If a Successor Service Contract has not been awarded by the end of the ten (10)-day period, the employment information referred to earlier in this subsection shall be provided to the Awarding Authority at such time. Where a subcontract of a Service Contract has been terminated prior to the termination of the Service Contract, the terminated

Subcontractor shall for purposes of this Policy be deemed a terminated Contractor.

(1) Where a Service Contract or Contracts are being let where the same or similar services were rendered under multiple Service Contracts, the Agency or Agency Financial Aid Recipient shall pool the Employees, ordered by seniority within job classification, under such prior Contracts.

(2) Where the use of Subcontractors has occurred under the terminated Contract or where the use of Subcontractors is to be permitted under a Successor Service Contract, or where both circumstances arise, the Agency or Agency Financial Assistance Recipient shall pool, when applicable, the Employees, ordered by seniority within job classification, under such prior Contracts or Subcontracts where required by and in accordance with rules authorized by this Policy.

(b) A Successor Service Contractor shall retain, for a ninety (90)-day transition employment period, Employees who have been left employed by the terminated Contractor or its Subcontractors, if any, for the preceding twelve (12) months or longer. Where pooling of Employees has occurred, the Successor Contractor shall draw from such pools in accordance with rules established under this Policy. During such ninety (90)-day period, Employees so hired shall be employed under the terms and conditions established by the Successor Contractor (or Subcontractor) or as required by law.

(c) If at any time the Successor Contractor determines that fewer Employees are required to perform the new Service Contract than were required by the terminated Contractor (and Subcontractors, if any), the Successor Contractor shall retain Employees by seniority within job classification.

(d) During such ninety (90)-day period, the Successor Contractor (or Subcontractor, where applicable) shall maintain a preferential hiring list of eligible covered Employees not retained by the Successor Contractor (or Subcontractor) from which the Successor Contractor (or Subcontractor) shall hire additional Employees.

(e) Except as provided in subsection (c) of this section, during such ninety (90)-day period the Successor Contractor (or Subcontractor, where applicable) shall not discharge without cause an Employee retained pursuant to this Policy. "Cause" for this purpose shall include, but not be limited to, the Employee's conduct while in the employ of the terminated Contractor or Subcontractor that contributed to any decision to terminate the Contract or Subcontract for fraud or poor performance.

(f) At the end of such ninety (90)-day period, the Successor Contractor (or Subcontractor, where applicable) shall perform a written performance evaluation

for each Employee retained pursuant to this Policy. If the Employee's performance during such ninety (90)-day period is satisfactory, the Successor Contractor (or Subcontractor) shall offer the Employee continued employment under the terms and conditions established by the Successor Contractor (or Subcontractor) or as required by law.

Sec. 3 Enforcement

(a) Compliance with this Policy shall be required in all Agency Contracts to which it applies, and such Contracts shall provide that (i) the contract is subject to the provisions of this Policy and (ii) violation of this Policy shall entitle the Agency to terminate the Contract and otherwise pursue legal remedies that may be available.

(b) Notwithstanding any provision of this Policy or any law or ordinance to the contrary, no criminal penalties shall attach for any violation of this Policy.

Sec. 4. Exemption for Successor Contractor or Subcontractor's Prior Employees

An Awarding Authority shall upon application by a Contractor or Subcontractor exempt from the requirements of this Policy a person employed by the Contractor or Subcontractor continuously for at least twelve (12) months prior to the commencement of the Successor Service Contract or Subcontractor who is proposed to work on such Contract or Subcontract as an Employee in a capacity similar to such prior employment, where the application demonstrates that (a) the person would otherwise be laid off work and (b) his or her retention would appear to be helpful to the Contractor or Subcontractor in performing the Successor Contract or Subcontract. Once a person so exempted commences work under a Service Contract or Subcontract, he or she shall be deemed an Employee as defined in Section 1(e) of this Policy.

Sec. 5. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights

This Policy shall not be construed to limit an Employee's right to bring legal action for wrongful termination.

Sec. 6. Expenditures Covered by this Policy

This Policy shall apply to the expenditure, whether through Service Contracts let by the Agency or by an Agency Financial Assistance Recipient, of funds

entirely within the Agency's control and to other funds, such as federal or state grant funds, where the application of this Policy is consonant with the laws authorizing the Agency to expend such other funds. As to any grant or similar program, this Policy shall become applicable to the funds authorized by such program if and only if the City Attorney's Office has obtained from the funding government either an opinion or other determination indicating such consonance or a judgment of compliance from a court of law or other tribunal, which procurement has been reported in writing by such Office to the Agency and to the City Council by a letter to the City Clerk.

Sec. 7. Policy Applicable to New Contracts and Agency Financial Assistance

The provisions of this Policy shall apply to Contracts consummated and Financial Assistance provided beginning thirty-one (31) days following approval of this Policy by the Agency Board and the Los Angeles City Council.

Sec. 8. Promulgation of Implementing Rules

The City Council shall by resolution or other means designate a department or office, which shall promulgate rules for implementation of this Policy and otherwise coordinate administration of the requirements of this Policy, by, for and on behalf of the Agency.

Sec. 9. Severability

If any severable provision or provisions of this Policy or any application thereof is held invalid, such invalidity shall not affect other provisions or applications of the Policy that can be given effect notwithstanding such invalidity.

Sec. 10. Amendments

This Agency Service Worker Retention Policy may be amended by the Agency Board of Commissioners at any time, subject to City Council review and approval. In addition, if the City amends the City's Service Worker Retention Policy as set forth in the City Administrative Code at Article 10 of Chapter 1 of Division 10, Agency staff shall, within 60 days of the effective date of any such amendment, inform the Agency Board of any such amendment and provide to the Board a proposed amendment to this Policy to bring the Policy into conformance with the Ordinance as so amended. The Agency Board of Commissioners shall consider a corresponding amendment to this Policy at a duly noticed meeting not less than seven nor more than 45 days following the

presentation of the proposed amendment to the Agency Board by Agency staff. If the Agency Board adopts any such amendment to bring the Policy into conformance with the amended Ordinance, it shall be deemed approved ten days following transmittal to the City Council of notice of the Board's action. If the Agency Board approves any amendment to the Policy that does not bring the Policy into conformance with the amended Ordinance, such amendment to the Policy shall be subject to City Council review and approval, and shall take effect 31 days after said approval by the City Council.

Adopted by the Community Redevelopment Agency Board of Commissioners May 29, 2003
Approved by the Los Angeles City Council September 26, 2003
Effective October 28, 2003

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES AGENCY EQUAL BENEFITS POLICY

(a) Legislative Findings. The Agency awards many contracts to private firms to provide services to the public and to the Agency. Many Agency Contractors and Subcontractors perform services that affect the proprietary interests of the Agency in that their performance impacts the success of Agency operations. The Agency holds a proprietary interest in the work performed by many Employees employed by Agency Contractors and Subcontractors. In a very real sense, the success or failure of Agency operations may turn on the success or failure of these enterprises, for the Agency has a genuine stake in how the public perceives the services rendered for them by these businesses.

Discrimination in the provision of Employee Benefits between Employees with domestic partners and Employees with spouses results in unequal pay for equal work. Los Angeles law prohibits entities doing business with the City from discriminating in employment practices based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the Agency's intent, through the contracting practices outlined in this Policy, to assure that those companies wanting to do business with the Agency will equalize the total compensation between similarly situated Employees with spouses and with domestic partners. The provisions of this Policy are designed to ensure that the Agency's Contractors will maintain a competitive advantage in recruiting and retaining capable Employees, thereby improving the quality of the goods and services the Agency and its people receive, and ensuring protection of the Agency's property.

(b) Definitions. For purposes of the Equal Benefits Policy only, the following shall apply.

(1) Agency means The Community Redevelopment Agency of the City of Los Angeles, California.

(2) Awarding Authority means the Agency, any department or unit of the Agency, or any employee or officer of the Agency, that is authorized to award or enter into any Contract, as defined in this Policy, on behalf of the Agency.

(3) Benefits means any plan, program or policy provided or offered by a Contractor to its employees as part of the employer's total compensation package. This includes but is not limited to the following types of benefits: bereavement leave, family

medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, and travel benefits.

(4) Cash Equivalent means the amount of money paid to an employee with a Domestic Partner (or spouse, if applicable) in lieu of providing Benefits to the employee's Domestic Partner (or spouse, if applicable). The Cash Equivalent is equal to the direct expense to the employer of providing Benefits to an employee for his or her Domestic Partner (or spouse, if applicable) or the direct expense to the employer of providing Benefits for the dependents and family members of an employee with a Domestic Partner (or spouse, if applicable).

(5) City means the City of Los Angeles.

(6) Contract means an agreement the value of which exceeds $5,000. It includes agreements for work or services to or for the Agency, for public works or improvements to be performed, agreements for the purchase of goods, equipment, materials, or supplies, or grants to be provided, at the expense of the Agency or to be paid out of monies under the control of the Agency. The term also includes a Lease or License, as defined in this Policy.

(7) Contractor means any Person, or any governmental entity acting in its proprietary capacity, that enters into a Contract with any Awarding Authority. The term does not include Subcontractors.

(8) Designated Administrative Agency (DAA) means the Office of the City Administrative Officer.

(9) Domestic Partners means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing this registration or with an internal registry maintained by the employer of at least one of the domestic partners.

(10) Employee means any individual employed by a Contractor or Subcontractor.

(11) Equal Benefits Ordinance means Los Angeles Administrative Code Section 10.8.2.1, *et seq.*, as amended from time to time.

(12) Equal Benefits Policy means the Policy adopted by the Agency to assure the provision of Equal Benefits by Contractors or Subcontractors under specified conditions.

(13) Equal Benefits means the equality of benefits between Employees with spouses and Employees with Domestic Partners, between spouses of Employees and Domestic Partners of Employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(14) Lease or License means any agreement allowing others to use property owned or controlled by the Agency, any agreement allowing others the use of Agency property in order to provide services to or for the Agency, such as for concession agreements, and any agreement allowing the Agency to use property owned or controlled by others.

(15) Person means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into Contracts.

(16) Subcontractor means any Person, or any governmental entity, that assists the Contractor in performing or fulfilling the terms of the Contract. Subcontractors are not subject to the requirements of the Equal Benefits Policy unless they otherwise have a Contract directly with the Agency.

(c) Equal Benefits Requirements

(1) No Awarding Authority shall execute or amend any Contract with any Contractor that discriminates in the provision of Benefits between Employees with spouses and Employees with Domestic Partners, between spouses of Employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.

(2) A Contractor must permit access to, and upon request, must provide certified copies of all of its records pertaining to its Benefits policies and its employment policies and practices to the Agency and the DAA, for the purpose of investigation or to ascertain compliance with this Equal Benefits Policy.

(3) A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment: "During the performance of a Contract with The Community Redevelopment Agency of the City of Los Angeles, California, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners." The posted statement must also include a City and/or an Agency contact telephone number which will be provided each Contractor when the Contract is executed.

(4) A Contractor must not set up or use its contracting entity for the purpose of evading the requirements imposed by the Equal Benefits Policy.

(d) Other Options for Compliance. Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Policy in the following ways:

(1) A Contractor may provide an Employee with the Cash Equivalent only if the DAA determines that either:

a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).

(2) Allow each employee to designate a legally domiciled member of the Employee's household as being eligible for spousal equivalent Benefits.

(3) Provide Benefits neither to Employees' spouses nor to Employees' Domestic Partners.

(e) Applicability

(1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Policy.

(2) The requirements of the Equal Benefits Policy shall apply to a Contractor's operations as follows:

a. A Contractor's operations located within the City limits, regardless of whether there are Employees at those locations performing work on the Contract.

b. A Contractor's operations on real property located outside of the City limits if the property is owned by the Agency or the Agency has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the Agency.

c. The Contractor's Employees located elsewhere in the United States but outside of the City limits if those Employees are performing work on the Agency Contract.

(3) The requirements of the Equal Benefits Policy do not apply to collective bargaining agreements ("CBA") in effect prior to the effective date of this Policy. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Policy be incorporated into its CBA upon

amendment, extension, or other modification of a CBA occurring after the effective date of this Policy.

(f) Mandatory Contract Provisions Pertaining to Equal Benefits. Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Policy. The language shall include provisions for the following:

(1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Policy.

(2) The failure of the Contractor to comply with the Equal Benefits Policy will be deemed to be a material breach of the Contract by the Awarding Authority.

(3) If the Contractor fails to comply with the Equal Benefits Policy the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the Agency. The Agency may also pursue any and all other remedies at law or in equity for any breach.

(4) Failure to comply with the Equal Benefits Policy may be used as evidence against the Contractor in actions taken pursuant to the provisions of the Agency's Contractor Responsibility Policy.

(5) If the Agency or the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits Policy, the Awarding Authority may terminate the Contract on behalf of the Agency. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of the Agency's Contractor Responsibility Policy.

(g) Administration

(1) The DAA is responsible for the enforcement of the Equal Benefits Policy for all Agency Contracts. Each Awarding Authority shall cooperate to the fullest extent with the DAA in its enforcement activities.

(2) In enforcing the requirements of the Equal Benefits Policy, the DAA may monitor, inspect, and investigate to insure that the Contractor is acting in compliance with the Equal Benefits Policy.

(3) The DAA shall promulgate rules and regulations and forms for the implementation of the Agency Equal Benefits Policy which are consistent with those promulgated for implementation of the City's Equal Benefits Ordinance.

No other rules, regulations or forms may be used by an Awarding Authority of the Agency to accomplish this contract compliance program.

(h) Enforcement

(1) If the Contractor fails to comply with the Equal Benefits Policy:

a. The failure to comply may be deemed to be a material breach of the Contract by the Awarding Authority; or

b. The Awarding Authority may cancel, terminate or suspend, in whole or in part, the contract; or

c. Monies due or to become due under the Contract may be retained by the Agency until compliance is achieved;

d. The Agency may also pursue any and all other remedies at law or in equity for any breach.

e. The Agency may use failure to comply with the Equal Benefits Policy as evidence against the Contractor in actions taken pursuant to the provisions of its Contractor Responsibility Policy.

(i) Non-applicability, Exceptions and Waivers

(1) Upon request of the Awarding Authority, the DAA or the Agency Board of Commissioners by resolution, may waive compliance with the Equal Benefits Policy under the following circumstances:

a. The Contract is for the use of Agency property, and there is only one prospective Contractor willing to enter into the Contract; or

b. The Contract is for needed goods, services, construction of a public work or improvement, or interest in or right to use real property that is available only from a single prospective Contractor, and that prospective Contractor is otherwise qualified and acceptable to the Agency; or

c. The Contract is necessary to respond to an emergency that endangers the public health or safety, and no entity which complies with the requirements of the Equal Benefits Policy capable of responding to the emergency is immediately available; or

d. The City Attorney certifies in writing that the Contract involves specialized litigation requirements such that it would be in the best interests of the Agency to waive the requirements of the Equal Benefits Policy; or

e. The Contract is (i) with a public entity; (ii) for goods, services, construction of a public work or improvement, or interest in or right to use real property; and (iii) that is either not available from another source, or is necessary to serve a substantial public interest. A Contract for interest in or the right to use real property shall not be considered as not being available from another source unless there is no other site of comparable quality or accessibility available from another source; or

f. The requirements of the Equal Benefits Policy will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of the agency with respect to the grant, subvention or agreement, provided that the Awarding Authority has made a good faith attempt to change the terms or conditions of the grant, subvention or agreement to authorize application of the Equal Benefits Policy; or

g. The Contract is for goods, a service or a project that is essential to the Agency or City residents and there are no qualified responsive bidders or prospective Contractors who could be certified as being in compliance with the requirements of the Equal Benefits Policy; or

h. The Contract involves bulk purchasing arrangements through City, Agency, federal, state or regional entities that actually reduce the Agency's purchasing costs and would be in the best interests of the Agency.

(2) The Equal Benefits Policy does not apply to contracts which involve:

a. The investment of trust monies, bond proceeds or agreements relating to the management of these funds, indentures, security enhancement agreements (including, but not limited to, liquidity agreements, letters of credit, bond insurance) for Agency tax-exempt and taxable financings, deposits of the Agency's surplus funds in financial institutions, the investment of Agency monies in competitively bid investment agreements, the investment of Agency monies in securities permitted under the California State Government Code and/or the Agency's investment policy, investment agreements, repurchase agreements, Agency monies invested in U.S. government securities or pre-existing investment agreements;

b. Contracts involving Agency monies in which the City Treasurer, the Agency's Chief Financial Officer or the City Administrative Officer finds that either:

(i) No Person, entity or financial institution doing business in the City, which is in compliance with the Equal Benefits Policy, is capable of performing the desired transaction(s); or

(ii) The Agency will incur a financial loss or forego a financial benefit which in the opinion of the City Treasurer, the Agency's Chief Financial Officer or the City Administrative Officer would violate his or her fiduciary duties.

(3) The Equal Benefits Policy does not apply to contracts for gifts to the Agency.

(4) Nothing in this Subsection shall limit the right of the Agency to waive the provisions of the Equal Benefits Policy.

(5) The provisions of this Subsection shall apply to the Equal Benefits Policy only.

(j) Consistency with Federal or State Law. The provisions of the Equal Benefits Policy do not apply where the application of these provisions would violate or be inconsistent with the laws, rules or regulations federal or state law, or where the application would violate or be inconsistent with the terms or conditions of a grant or contract with the United States of America, the State of California, or the instruction of an authorized representative of any of these agencies with respect to any grant or contract.

(k) Severability. If any provision of the Equal Benefits Policy is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

(l) Timing of Application

(1) The requirements of the Equal Benefits Policy shall not apply to Contracts executed or amended prior to the effective date of this Policy, or to bid packages advertised and made available to the public, or any bids received by the Agency, prior to the effective date of this Policy, unless and until those Contracts are amended after the effective date set forth below and would otherwise be subject to the Equal Benefits Policy.

(2) The requirements of the Equal Benefits Ordinance shall apply to competitively bid Contracts that are amended on or after the effective date of this Policy and to competitively bid Contracts that result from bid packages advertised and made available to the public on or after the effective date of this Policy.

(3) Unless otherwise exempt, the Equal Benefits Policy applies to any agreement executed or amended on or after the date which is 31 days following approval of this Policy by the Los Angeles City Council that meets the definition of a Contract as defined herein.

(m) Amendment

This Agency Equal Benefits Policy may be amended by the Agency Board of Commissioners at any time, subject to City Council review and approval. In addition, if the City amends the City's Equal Benefits Policy as set forth in the City Administrative Code at Section 10.8.2.1, Agency staff shall, within 60 days of the effective date of any such amendment, inform the Agency Board of any such amendment and provide to the Board a proposed amendment to this Policy to bring the Policy into conformance with the Ordinance as so amended. The Agency Board of Commissioners shall consider a corresponding amendment to this Policy at a duly noticed meeting not less than seven nor more than 45 days following the presentation of the proposed amendment to the Agency Board by Agency staff. If the Agency Board adopts any such amendment to bring the Policy into conformance with the amended Ordinance, it shall be deemed approved ten days following transmittal to the City Council of notice of the Board's action. If the Agency Board approves any amendment to the Policy that does not bring the Policy into conformance with the amended Ordinance, such amendment to the Policy shall be subject to City Council review and approval, and shall take effect 31 days after said approval by the City Council.

Adopted by the Community Redevelopment Agency Board of Commissioners May 29, 2003
Approved by the Los Angeles City Council September 26, 2003
Effective October 28, 2003

EXHIBIT I

LOCAL HIRING RESPONSIBILITIES OF PERMANENT EMPLOYERS ON CRA ASSISTED PROJECTS

I. **Purpose.** This document sets forth the responsibilities of Permanent Employers related to the hiring of Local Low-Income Individuals in connection with the Community Redevelopment Agency's First Source/Local Hiring Program for the Project Area.

II. **Definitions.**

"Agency Agreement" means a disposition and development agreement, owner participation agreement, or loan or grant agreement with the CRA to implement a redevelopment project within the City Center Project Area. Agency Agreement does not include agreements exclusively for CRA assistance with land use approvals.

"Area Median Income" ("AMI") means the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, as determined annually by the Department of Housing and Urban Development (HUD).

"At-Risk Individual" means an individual with an income of up to 80% of the AMI that has one of the following barriers to employment: physical or mental disability; lack of English language and literacy skills; lack of a GED or high school diploma; criminal records and parole; or significant gaps in work history

"City" means the City Council of the City of Los Angeles, and the City of Los Angeles.

"City Center Project Area" means the area identified in the map of the City Center Redevelopment Plan.

"Community Employment Area" means the area which includes (i) the areas within the boundaries of the City Center Project Area and (ii) all areas within three miles of such boundaries.

"Contractor" means a general or prime contractor (individual, partnership, corporation, joint venture or other legal entity) awarded a contract by the CRA, or by a Recipient.

"CRA" means the Community Redevelopment Agency of the City of Los Angeles, California.

"CRA Assisted Project" means a project located within the City Center Project Area that is subject to an Agency Agreement or that receives Financial Assistance.

"Developer" means a person or entity that prepares real property for development or redevelopment within the City Center Project Area.

"Financial Assistance" means any loan, grant, subsidy, or similar participation in the cost of development of a project within the Project Area provided by the CRA irrespective of source, as contrasted with generalized financial relief such as through tax legislation. Financial Assistance does not include monetary assistance associated with a CRA façade improvement program Categories of such assistance shall include, but are not limited to:

CRA approved bond financing; CRA planning assistance which results in a discrete monetary benefit to the developer such as a fee reduction or fee waiver; tax increment financing; construction of off-site public improvements by the CRA that would otherwise be the responsibility of the developer; land write-downs and tax credits.

A market rate loan shall not be regarded as Financial Assistance, however, the forgiveness of the loan shall be regarded as Financial Assistance as shall a loan at a reduced or preferential interest rate, or a loan for which repayment is deferred or relieved. A residual receipts loan shall be considered Financial Assistance.

"Jobs Coordinator" means an independent third-party individual or entity within whom the CRA enters into a contract to facilitate implementation of the requirements of this Attachment 7.

"Local Employer" means all firms with 10 or more employees who spend at least 50% of their total work hours on-site at a CRA Assisted Project.

"Local Low-Income Resident" means: (a) a Lower Income Individual whose primary residence or primary place of employment was in the City Center Project Area and has been displaced, converted, demolished or removed as a result of an Agency Agreement within the five years preceding the date of submission of a job application to a Permanent Employer; and (b) a Lower Income Individual whose primary residence was or is within the Community Employment Area on or after the date the CRA adopted the City Center Redevelopment Plan.

"Local Resident" means: (a) an individual whose primary place of residence is within the Community Employment Area; and (b) any Local Low-Income Resident; and (c) any At-Risk Individual whose primary place of residence is within the Community Employment Area.

"Lower Income Individual" means an individual whose household income qualifies as Extremely Low, Very Low or Low under the definitions as set forth in California Health & Safety Code §§50106, 50105 and 50079.5.

"Permanent Employer" means a Local Employer that (a) has entered into a lease or contract with a Recipient to operate a business on a site within the City Center Project Area or (b) is also a Permanent Employer Subcontractor.

"Permanent Employer Subcontractor" means any Local Employer who contracts with a Permanent Employer to perform work on a project in the City Center Project Area in connection with which the Permanent Employer has a lease or contract with a Recipient.

"Recipient" means a Developer or Contractor that has entered into an Agency Agreement relating to a CRA-Assisted Project or received Financial Assistance in connection with a project located within the City Center Project Area.

"Recruitment Organization" means a job recruitment organization located in the Community Employment Area including without limitation government agencies, social service providers and non-profit organizations serving the needs of Lower Income households.

III. Inclusion of Local Hiring Terms in Contracts and Leases. Each Permanent Employer shall include this Attachment 7 as a material term of any agreement between the Permanent Employer and (a) any Recipient, (b) the CRA or (c) any Permanent Employer Subcontractor.

IV. Local Hiring Terms.

A. Local Hiring Goal. Local Low-Income Residents will make up not less than thirty percent of the workforce of each Permanent Employer, as measured by total work hours.

B. Requirements.

1. Preferential Notification. Each Permanent Employer will notify the Jobs Coordinator or specified Recruitment Organization(s) of job opportunities in advance of other hiring outreach efforts and provide a description of job responsibilities and qualifications, including expectations, salary, work schedule, duration of employment, and any special requirements (e.g. language skills, drivers' licenses, etc.).

a. Duration. This preferential notification must be provided for a period of not less than a three-week period prior to commencement of the Permanent Employer's operations. After commencement of a Permanent Employer's operations, this preferential notification must

be provided for at least a five-day period prior to the announcement of any job opportunity. Such preferential notification will take place throughout the period described in Section IV.C. below .

b. Recruitment Organizations. Notification shall be given to all Recruitment Organizations specified by the CRA's Jobs Coordinator, and to those who request it in writing.

2. Hiring Preferences. Subject to compliance with the preferential notification procedures referred to above, all Permanent Employers may at all times consider applicants referred or recruited through any source, and may use normal hiring practices, including interviews, to consider all referred applicants.

a. Exclusive Initial Hiring. When making initial hires for the commencement of the Permanent Employer's operations, the Permanent Employer will hire only Local Low-Income Residents for a three week period following the notification of job opportunities described in subparagraph IV.b.2 above.

b. Ongoing Exclusive Hiring. When making hires after the commencement of operations, the Permanent Employer will hire only Local Low Income Residents for a five-day period following the notification of job opportunities. During such periods Permanent Employers may hire Local Low-Income Residents recruited or referred through any source. After such periods, Permanent Employers shall make good-faith efforts to hire Local Low-Income Residents, but may hire any applicant recruited or referred through any source.

3. On-the-Job Training

a. Credit Toward Hiring Goal. Each Permanent Employer who provides on-the-job training in accordance with the requirements of Subsection IV.B.3.b below will receive a credit toward the hiring goal in Subsection IV.A of this Attachment 7 equal to twice the number of hours worked by each Local Low-Income Resident receiving such training. No Employer may receive such credit, however, for training provided for a task or position that does not reasonably require such training.

b. Requirements to Receive Credit. In order to receive credit toward the hiring goal under Subsection IV.A, an Permanent Employer must meet the following requirements. The requirements of this Subsection IV.B.3.b. are not otherwise mandatory.

i. **Basic Requirement.** Each Permanent Employer will make appropriate on-the-job training available to Local Low-Income Residents hired in connection with the requirements of this Attachment7.

ii. **Training Plan**. Each Permanent Employer will adopt a Training Plan that describes the on-the-job training to be provided in each job category to Local Low-Income Residents hired for that job category.

iii. **Duration**. On-the-job training will be offered for a minimum of 6 months to each Local Low-Income Resident hired by a Permanent Employer, in order to enable Local Low-Income Residents to hold positions for which they might not otherwise qualify.

4. **Hiring Liaison.** Each Permanent Employer will designate a Hiring Liaison before commencing operations covered by this Attachment 7 to act as a conduit between the Employer and the CRA's Jobs Coordinator. This Liaison will be responsible for providing to the Jobs Coordinator and the Recipient all necessary documentation throughout the duration of the project required in this Attachment.

C. **Duration**. Each Permanent Employer will abide by the terms of this Attachment 7 for at least (a) ten (10) years, or (b) the duration of the term of the agreement that includes this Attachment 7, whichever is the lesser.

V. Monitoring and Enforcement

A. **Review of Compliance.** Permanent Employers will keep records of their compliance with this Attachment 7, and makes such records available to Recipients or the CRA upon request of the Recipient or the CRA. The CRA will review each Recipient's report of compliance by Permanent Employers with whom that Recipient has a contractual relationship. Following each review, the CRA will make a written finding as to each Permanent Employer's compliance with the requirements of Attachment 7. The Recipient may appeal a finding of non-compliance by any Employer to the CRA Board of Commissioners, which will review such an appeal for clear error.

B. **Non-Compliance, Opportunity to Cure.**
If, during any review of compliance, the CRA finds that a Permanent Employer has not complied with each of the requirements of Attachment 7, the CRA shall immediately issue to the appropriate Recipient and Permanent Employer a written finding of non-compliance and provide a 60 day opportunity to cure. In order to cure and to avoid the penalties set forth below, the Recipient must make a detailed showing to the CRA that:

i. the non-compliant Employer has made diligent use of all reasonable and necessary methods to meet each of the requirements of Section IV.B. of Attachment 6 or each of the requirements of Section IV.B. of Attachment 7, whichever is applicable to that Employer; or

ii. the non-compliant Employer is substantially meeting the Goals set out in Sec. 5 IV.A of this Attachment 7; or

iii. the Recipient can show that, following the initial finding of non-compliance, the Recipient or another compliant Permanent Employer with whom the Recipient has a contract has, made new hires of Local Residents in an amount equal to the number of Local Residents by which the non-compliant Employer fell short of the 30% local hiring goal set out in Section IV.A..

C. Penalties for Non-Compliance.
If, prior to the end of the 60 day cure period described in Section V.B. above, the Recipient has not made the showing set forth in Section V.B.1. or V.B.2,, the CRA will require the Recipient to pay to the CRA an amount equal to to fifty dollars ($50.00) multiplied by the sum of the number of Local Residents short of the 30% local hiring goal set out in Section IV.A., per calendar day following the initial finding of non-compliance. The Recipient will continue to pay this penalty until the Recipient can make the showing set forth in Section V.B.i.,V.B.ii or V.B.iii..

D. Repeat Offenders. The CRA shall include a provision in the Agency Agreement that repeated non-compliance with the requirements of Attachment 6 or Attachment 7 shall constitute a breach or default of the Agency Agreement. Funds collected by the CRA under this Subsection 5 will be used to support the First Source/ Local Hiring Program.

Use of Funds. Funds collected by the CRA under this Section V will be used to support the First Source/ Local Hiring Program.

EXHIBIT J

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

The Community Redevelopment Agency
of the City of Los Angeles
354 South Spring Street, Suite 700
Los Angeles, CA 90013
Attn: Asset Mgt. Dept.

No fee for recording pursuant
to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

EXCESS FLOOR AREA COVENANT AGREEMENT

THIS COVENANT, GRANT AND AGREEMENT FOR EXCESS DENSITY (this "Covenant") is made as of this _____ day of _____, 20__ by and between Alexandria Housing Partners, L P, a California limited partnership ("Developer") and The Community Redevelopment Agency of the City of Los Angeles, California, a public body corporate and politic (the "Agency"). The following are the facts, purposes, and understandings.

RECITALS

A. The Agency and Developer have entered into that certain Permanent Loan Agreement dated as of _____, 2009 (the "Loan Agreement") pursuant to which the Agency agreed to make a loan to Developer in amount of $11,900,000 to allow for the CRA/LA-requested deeper affordability on the development for certain real property in the City of Los Angeles, County of Los Angeles, State of California, more particularly described in Exhibit A (the "Site") subject to the provisions of the Loan Agreement.

B. The parties intend that capitalized terms used herein and not defined shall have the meaning in the Loan Agreement.

C. Pursuant to the Loan Agreement, the Developer agreed to operate on the Site four hundred sixty-three (463) rental apartments and community space, where 461 units will be maintained as housing affordable to households of very low income, low, and moderate income residents, and two (2) rental units maintained for onsite managers.

D. The maximum Floor Area Ratio of the Site is 6:1. With a lot size of 34,442.70 square feet and a building square footage of 307,931.00, the actual FAR of the building is 8.94:1. Per Section 512.2 of the Redevelopment Plan titled 'Exemption from Maximum Floor Area Ratios for Rehabilitation/Remodeling of Existing Buildings,' the proposed building rehabilitation will allow a 2.24 rehabilitation bonus FAR or 77,152 square feet of bonus floor area (the "Excess Floor Area"). As no floor area was added to the existing building, the bonus floor area is available for transfer to other development projects. As partial consideration for the

Agency loan, the entire amount of bonus floor area will be reserved for the Agency's exclusive use in future TFAR applications.

E. In partial consideration of the Agency entering into the Loan Agreement, Developer, as the owner of the Site, has agreed to grant to the Agency the right to use, sell and/or transfer the Excess Floor Area from the Site not needed as of the date of the Loan Agreement (the "Excess Floor Area") for the Agency's use or transfer in accordance with the Los Angeles Municipal Code and/or Redevelopment Plan. This Covenant will be recorded against the Site to restrict the future expansion of the building.

NOW THEREFORE, in consideration of good and valuable consideration, the receipt of which is hereby acknowledged, and the furtherance of the promises contained in the Loan Agreement, the Agency and the Developer agree as follows:

Section 1. Excess Floor Area. The Agency shall have the exclusive right to use, sell and/or transfer 77,152 square feet of Excess Floor Area from the Site, and neither Developer nor any successor in interest to Developer, shall have any further right or interest in such Excess Floor Area.

Section 2. Term of Covenant. The term of this Covenant shall begin as of the date of this Covenant and shall run with the land and be binding upon the undersigned owner and all persons or entities having or acquiring any right, title or interest in the Site or any part thereof in perpetuity unless and until released by the Agency or its successor.

Section 3. Notices, Demands and Communications. Formal notices, demands, and communications between the Agency and the Developer shall be sufficiently given if, and shall not be deemed given unless, secured personally, or dispatched by certified mail, return receipt requested, or by facsimile transmission or reputable overnight delivery service with a receipt showing date of delivery, to the principal offices of the Agency and the Developer as follows:

Agency:
The Community Redevelopment Agency
of the City of Los Angeles
354 South Spring Street Suite 800
Los Angeles, CA 90013
Attn: Asset Mgt. Dept.

with copies to:
The Community Redevelopment Agency
of the City of Los Angeles
Office of City Attorney
354 South Spring Street Suite 800
Los Angeles, CA 90013
Attn: Agency General Counsel

Developer:
c/o The Amerland Group, LLC
P.O. Box 880367
San Diego CA 92168
Attn: Ruben Islas
Phone No.: (619) 260-5562
Fax No.: (619) 260-5563

And to	c/o The Buxbaum Group 28720 Canwood St., Suite 108 Agoura Hills, CA 91301 Attn: Paul Buxbaum Phone No.: (818) 878-3900 Fax No.: (818) 878-3911
And to	c/o Pacific Housing, Inc. 1801 L Street, Suite 245 Sacramento, CA 95814 Attn: Mark Wiese Phone No.: (916) 638-5200 Fax No.: (916) 325-1204
With a copy to:	Cox, Castle & Nicholson LLP 555 California Street, Tenth Floor San Francisco, CA 94104-1513 Attn: Stephen C. Ryan, Esq. Phone No.: (415) 392-4200 Fax No.: (415) 392-4250
And to	The Buxbaum Group 28720 Canwood St., Suite 108 Agoura Hills, CA 91301 Attn: Scott Rusczyk Phone No.: (818) 878-3900 Fax No.: (818) 878-3911
And to:	CTWC-Alexandria Housing LLC c/o Column Capital 7650 Courtney Campbell Causeway, Suite 875 Tampa, FL 33607 Attn: William J. Tomashewski Phone: 813-207-2131 Fax: 813-207-2121
And to:	Nixon Peabody LLP 401 9th Street, N.W., Suite 900 Washington, D.C., 20004-2128 Attn: Gary A. Band, Esq.

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section 3. Delivery shall be deemed to have occurred at the time indicated on the receipt for delivery or refusal of delivery.

Section 4. Applicable Law. This Agreement shall be interpreted under and pursuant to the laws of the State of California.

Section 5. Legal Actions. In the event any legal action is commenced to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach thereof, the Party prevailing in any such action shall be entitled to recover against the Party not prevailing all reasonable attorneys' fees and costs incurred in such action.

Section 6. Binding Upon Successors; Covenants to Run With Land. This Covenant shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, and assigns of each of the parties. The terms of this Covenant shall run with the land, and shall bind all successors in title to the Site until the termination of this Covenant. Every contract, deed, or other instrument hereafter executed covering or conveying the Site or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the Agency expressly releases the Site or the applicable portion of the Site from the requirements of this Covenant.

Section 7. Counterparts. This Agreement may be executed in counterparts and multiple originals.

Section 8. Amendments. The Agency and Developer may amend this Covenant only by means of a writing signed by both parties or their successors and assigns.

WHEREFORE, the Agency and the Developer have executed this Covenant as of the date first above written.

AGENCY:

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES,
a public body, corporate and politic

By: _____
Cecilia V. Estolano,
Chief Executive Officer

APPROVED AS TO FORM:

ROCKARD J. DELGADILLO,
CITY ATTORNEY

By:

_____

Developer:

ALEXANDRIA HOUSING PARTNERS, L. P.
a California limited partnership

By: Pacific Housing, Inc.,
a California nonprofit public benefit corporation,
its Managing General Partner

By:_____
Mark A. Wiese,
President

By: Amerland/Alexandria Partners, LLC,
a California limited liability company,
its Co-General Partner

By: Alexandria Partners, LLC,
a California limited liability company,
its Manager

By: The Amerland Group, LLC,
a California limited liability company,
its Managing Member

By: Islas Development, LLC,
a California limited liability company,
its Manager

By:_____
Ruben Islas,
Sole Member

1174251.4

EXHIBIT K

Recording requested by and
When recorded, mail to:

The Community Redevelopment Agency
Of the City of Los Angeles, California
354 South Spring Street, Suite 800
Los Angeles, CA 90013
Attn: Asset Management

APN: 5149-034-005/006

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

(California Health and Safety Code Section 33334.3)

Notice is hereby given pursuant to California Health and Safety Code Section 33334.3 by The Community Redevelopment Agency of the City of Los Angeles, California, a public body, corporate and politic (the **"CRA/LA"**) and Alexandria Housing Partners, L. P., a California limited partnership (the "**Owner**"), that the property located at 501 South Spring Street, Los Angeles, CA 90013, known as APN No. 5149-034-005/006 and more particularly described in Exhibit A attached hereto (the "Property") is subject to recorded covenants restricting the rental and occupancy of the property to low, very low and moderate income households for a period of fifty-five (55) years commencing on _____, 2009 ("**Effective Date**") and terminating on the fifty-fifth anniversary of the Conversion Date (as defined in the Permanent Loan Agreement dated as of the Effective Date and executed by and between CRA/LA and the Owner (the **"Loan Agreement"**)), as more fully set forth in this Notice and in the Agreement Containing Covenants Affecting Real Property (the "**Covenant Agreement**") dated as of the Effective Date, executed by and between CRA/LA and Owner, and recorded concurrently herewith.

RECITALS

A. The CRA/LA wishes to promote the redevelopment of the City Center Redevelopment Project Area through the development of multifamily rental housing affordable for low, very low and extremely low income households, and has made a loan to Owner from its low and moderate housing funds in the amount of Eleven Million Nine Hundred Thousand and No/100 Dollars ($11,900,000.00) (**"CRA/LA Loan"**) relating to the operation of a Four Hundred Sixty-Three (463) unit residential development on the Property (the **"Project")** of which Four Hundred and Sixty-One (461) shall be rented to low- , very low- and moderate-income households as set forth below and as more fully set forth in the Covenant Agreement.

B. Pursuant to California Health and Safety Code Section 33334.3, and as a condition of the CRA/LA Loan, CRA/LA and Owner have entered into, among other documents, the Covenant Agreement, which shall be recorded against the Property concurrently with this Notice.

C. The purpose of the Covenant Agreement is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Property. The covenants in the Covenant Agreement are intended to run with the land and be binding on Owner and Owner's successors for the full term of the Covenant Agreement.

DEFINITIONS

1. Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Agreement and Covenant Agreement.

2. "**ADJUSTED FOR FAMILY SIZE APPROPRIATE TO THE UNIT**" shall be determined consistent with Section 50052.5(h) of the California Health and Safety Code and applicable federal rules.

3. "**AREA MEDIAN INCOME**" means the median income for Los Angeles County as determined by California Department of Housing and Community Development ("**HCD**") in accordance with California Health and Safety Code Section 50093.

4. **"ASSISTED UNITS"** means 461 of the residential units in the Project.

5. **"ELIGIBLE HOUSEHOLD"** means a household for which gross household income upon initial occupancy does not exceed the maximum income level for an Assisted Unit as specified in Sections 12 and 12.1.

6. **"LOW INCOME HOUSEHOLD"** means a "Lower income household" as defined in California Health and Safety Code Section 50079.5 as such may be amended from time to time.

7. "**MODERATE INCOME HOUSEHOLD**" means "Persons and families of low or moderate income" as defined in California Health and Safety Code Section 50093 as such may be amended from time to time.

8. **"QUALIFYING RENT"** means the monthly rent to be charged by Owner and payable by a tenant for an Assisted Unit in an amount less than or equal to the applicable maximum amount permitted pursuant to the Loan Agreement and Section 13 of this Notice.

9. **"VERY LOW INCOME HOUSEHOLD"** has the meaning set forth in California Health and Safety Code Section 50105, as such may be amended from time to time.

TERM OF RESTRICTIONS

10. The tenant income and rent restrictions contained in the Covenant Agreement shall commence upon the Effective Date and shall remain in full force and effect until the fifty-fifth (55th) anniversary of the Conversion Date, regardless of any expiration, payment or prepayment of the CRA/LA Loan, any assignment of the Note, any reconveyance of the Deed of Trust, or any sale, assignment, transfer, or conveyance of the Property, unless terminated earlier by the CRA/LA in writing or extended by the mutual consent of the parties.

PROJECT OCCUPANCY AND RENTS

11. **OPERATION OF PROPERTY.** Owner and its successors in interest shall lease, operate and manage the Property in full conformance with the terms of the Covenant Agreement for the full term of the Covenant Agreement. The Covenant Agreement prohibits Owner from permanently withdrawing units from the rental market, discriminating in the use, maintenance or occupancy of the development, and requires Owner, among other things, to maintain and operate the Development so as to provide decent, safe, and sanitary low-, very low-, and moderate- income housing, and to submit its proposed leases for CRA/LA's review and approval.

TENANT INCOME RESTRICTIONS

12. Subject to the last sentence of this Section 12, the affordability of the Project shall be maintained as follows until the fifty-fifth anniversary of the Conversion Date:

(a) 187 studio units in the Project shall be rented at Qualifying Rents and occupied (or if vacant, available for occupancy) by Eligible Households who qualify as Very Low Income Households;

(b) an additional 59 studio units and four (4) one-bedroom units in the Project shall be rented at Qualifying Rents and occupied (or if vacant, available for occupancy) by Eligible Households who qualify as Low Income Households;

(c) an additional 187 studio units and 24 one-bedroom units in the Project shall be rented at Qualifying Rents and occupied (or if vacant, available for occupancy) by Eligible Households who qualify as Moderate Income Households; and

(d) Owner may set aside two (2) units in the Project for use as "Manager's Units," which units shall be occupied by persons (or households) employed as site managers of the Project. The "Manager's Units" are not subject to the income or rent limits set forth in this Notice.

The following table depicts the required number of units by unit size and income level based upon the Housing and Community Development rental definition of Area Median Income.

Unit Type	HCD Very Low Income	HCD Low Income	HCD Moderate Income	TOTAL
Studio	187	59	187	**433**
1-Bdrm		4	24	**28**
TOTAL	**187**	**63**	**211**	**461**

Notwithstanding anything to the contrary set forth in this Notice, throughout the term of the Covenant Agreement tenant household income eligibility limits shall be set at the *lowest* of the income limits required by this Section 12, by Section 33 of the Bond Regulatory Agreement, or by the TCAC Agreement (as defined in Section 12.1), even if either or both of the Bond Regulatory Agreement and the TCAC Agreement are no longer in effect.

12.1 Additional Restrictions. Owner and CRA/LA acknowledge that for a term of fifty-five (55) years commencing on the Closing Date, pursuant to Section 33 of the Bond Regulatory Agreement and a California Tax Credit Allocation Committee regulatory agreement (the "**TCAC Agreement**") that will be recorded against the Site and the Project, rents for the Assisted Units are subject to affordability requirements that are more restrictive than the requirements described in the preceding Section 12. The Bond Regulatory Agreement imposes and the TCAC Agreement will impose the following affordability restrictions, based upon the Median Income for the Area (as defined in the Bond Regulatory Agreement) and the Tax Credit Allocation Committee ("TCAC") determination of rent restrictions as annually published by TCAC.

Unit Type	TCAC 30%	TCAC 35%	TCAC 40%	TCAC 45%	TCAC 50%	TCAC 60%	TOTAL
Studio	30	100	57	34	25	187	**433**
1-Bdrm					4	24	**28**
2-Bdrm							
3-Bdrm							
TOTAL	**30**	**100**	**57**	**34**	**29**	**211**	**461**

PROJECT RENTS

13. **MAXIMUM RENTAL CHARGES.** The total monthly rent together with utilities (as calculated by the Housing Authority of the City of Los Angeles) and related services charged by Owner and paid by each Eligible Household shall not exceed the following:

(a) for units described in Section 12 (a), one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Area Median Income Adjusted for Family Size Appropriate to the Unit;

(b) for units described in Section 12 (b), one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of Area Median Income Adjusted for Family Size Appropriate to the Unit; and

(c) for units described in Section 12(c), one-twelfth (1/12) of thirty percent (30%) of one hundred and ten percent (110%) of Area Median Income, Adjusted for Family Size Appropriate to the Unit.

Notwithstanding anything to the contrary set forth in this Notice, throughout the term of the Covenant Agreement, the maximum rent that may be charged for each Assisted Unit that is reserved for occupancy by households of a specified income level pursuant to Section 13, shall be the *lower of* : (i) the rent determined pursuant to the preceding paragraphs (a), (b) and (c) of this Section 13, and (ii) the rent determined pursuant to TCAC rules and regulations as applied to the affordability levels set forth in Section 12.1, even if either or both of the Bond Regulatory Agreement and the TCAC Agreement are no longer in effect.

In each case, the maximum allowable rent shall be reduced by a reasonable allowance for tenant-paid utilities as specified by the Housing Authority of the City of Los Angeles and by tenant-paid service charges.

Owner shall annually certify each tenant's gross household income and make any rent adjustment pursuant to the terms of the Covenant Agreement. Notwithstanding anything to the contrary set forth herein, at no time shall the rents charged for Assisted Units be more than the maximum affordable rent defined in California Health and Safety Code Section 50053, as such may be amended from time to time.

RECORDING OF NOTICE

14. The CRA/LA and Owner hereby agree and consent to the recording of this Notice with the Los Angeles County Recorder. This Notice is recorded for the purpose of providing notice only. In the event of inconsistency between this Notice and the Covenant Agreement or the Loan Agreement, the Covenant Agreement and Loan Agreement shall prevail.

Signature page follows this page

1174244-8

IN WITNESS WHEREOF, the CRA/LA and the Owner have caused this Notice of Affordability Restrictions to be executed as of the date first written above by their duly authorized representatives.

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES

By: _____
David Riccitiello
Regional Administrator, Downtown

APPROVED AS TO FORM
ROCKARD J. DELGADILLO, City Attorney

By: _____

OWNER:

ALEXANDRIA HOUSING PARTNERS, L. P.
a California limited partnership

By: Pacific Housing, Inc.,
a California nonprofit public benefit corporation,
its Managing General Partner

By:_____
Mark A. Wiese, President

By: Amerland/Alexandria Partners, LLC,
a California limited liability company,
its Co-General Partner

By: Alexandria Partners, LLC,
a California limited liability company,
its Manager

By: The Amerland Group, LLC,
a California limited liability company,
its Managing Member

By: Islas Development, LLC,
a California limited liability company,
its Manager

By:_____
Ruben Islas,
Sole Member

LIHTC ACQUISITION-REHAB FINANCIAL MODEL

Page 1 - Project Summary

Draft #32 Conversion
January 15, 2009 04:09 PM

The Alexandria
Los Angeles, California

Unit Mix and Utility Allowances	Total Units	Net Rentable Square Feet	Utility Allowances	Max. Rents per Affordability Commitments Group B: 60% AMGI	Group C: 50%	Group D: 35%	Project Rents Current	Post-Rehab	Per SF
Studio	434	360	0	727	485	364	430	727	2.02
Studio	0	360	0	0	546	424	430	0	0.00
Studio	0	360	0	0	606	0	430	0	0.00
One bedroom, one bath	29	450	0	779	0	0	430	779	1.73
One bedroom, one bath	0	450	0	0	0	0	430	0	0.00
One bedroom, one bath	0	450	0	0	650	0	430	0	0.00
Totals	Units = 463			Avg = 733	Avg = 533	Avg = 410	Avg = 430	Avg = 733	1.98

Operations Summary	Total $	Per Unit	Per SF
Gross Rental Income	3,021,097	6,525	17.85
Parking and Commercial Income	710,890	1,535	4.20
Other Income @ $10.79 per unit per month	30,000	65	0.18
Residential Vacancy @ 5.00%	(151,055)	(326)	(0.89)
Effective Gross Income	3,610,932	7,799	21.33
Operating Expenses, including $250 per unit reserves	(1,641,122)	(3,545)	(9.69)
Net Operating Income	1,969,810	4,254	11.64
Total Debt Service (excluding cash flow-based loans)	(1,713,554)	(3,701)	(10.12)
Net Cash Flow (before partnership-level expenses)	256,255	553	1.51

Sources and Uses of Funds				
Debt:				
Perm Loan #1 (5.71% interest & fees, 1.15 DCR, 35-year amort.)	25,900,000	(ARCS)		
Perm Loan #2	0			
Perm Loan #3 (3.00% interest, cash flow basis)	11,900,000	(CRA of City of Los Angeles)		
Deferred Developer Fee (payable from cash flow over 10 years)	1,925,314	(deferred fee = 90% of total fee)		
Equity:				
Tax Credit Equity @ $1.0550 (99.99% of available credits)	18,512,143	(equity = $39,983 per LI unit)		
Capitalized Interest Paid from Operations	2,152,633			
Loss During Lease-Up	(4,608,378)			
Bridge Loan	0			
TOTAL SOURCES	55,781,712			
			Per Unit	Per SF
Property Acquisition	30,526,855		65,933	180.32
Renovation Costs	16,018,426		34,597	94.62
Indirect Costs:				
Third Party Reports	255,952		553	1.51
Financing Placement	2,065,521		4,461	12.20
Capitalized Interest	2,152,633		4,649	12.72
Accounting Fees	242,885		525	1.43
Legal & Organizational Fees	206,415		446	1.22
Relocation Allowance	195,899		423	1.16
Initial Deposits to Reserves	865,000		1,868	5.11
Tax Credit Reservation Fees	211,275		456	1.25
Other Fees and Costs	907,882		1,961	5.36
Developer Fee (non-deferred portion = $207,655)	2,132,969		4,607	12.60
TOTAL USES	55,781,712		120,479	329.50

Affordability Commitments and Other Tax Credit Assumptions	% of AMGI	% of Project	
"A" – Market	n/a	0%	Statistical Area: Los Angeles County
"B" – Affordable	60%	46%	Effective AMGI: $69,300
"C" – Affordable	50%	26%	Last AMGI Increase: 08-Mar-06
"D" – Affordable	35%	28%	DDA or QCT: Yes
			Applicable Percentage: 3.53%, as of Aug 06

Affordability
Weighted Average Set-Aside Commitment = 50.3% of Median Income
Average Post-Rehab Gross Rent = 50.5% of Median Income

Feasibility Indices	
LIHTC Equity Subsidy (of next eligible rehab $)	48.4%
Transaction Load on Purch. Price (incl. rent delta)	34.8%
Capitalization Rate on Stabilized NOI	6.45%
Breakeven Avg Market Rent, if Mixed Income	$1,020

Annual Federal Credits	
Stabilized	1,754,881
Year 1 – 2006	0
Year 2 – 2007	0
Year 3 – 2008	1,747,184

Project Timing Assumptions	
Acquisition Closing	31-Jul-06
Renovation Start	01-Aug-06
Renovation Complete	31-Jan-08
Start of Credit Period (First Unit Qualified)	01-Jan-08
Last Unit Qualified	30-Jun-08

Equity and Developer Fee Installments; Estimated Yield	Estimated Date	Equity Percent	Equity Installments	Developer Fee
At Closing	31-Jul-06	34.9%	6,457,080	0
Second Installment	31-Jul-07	50.1%	9,278,242	0
Third Installment	31-Aug-08	5.0%	925,607	0
Fourth Installment	31-Aug-08	5.0%	925,607	0
Fifth Installment	31-Jul-09	5.0%	925,607	207,655
	n/a	0.0%	0	0
			18,512,143	207,655

THIS DOCUMENT IS A DRAFT, TO BE USED FOR DISCUSSION PURPOSES ONLY

For additional information, please contact Pacific Housing Advisors at 760-632-8917 or dab@housingadvisors.com

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EXHIBIT M

DEVELOPMENT GUIDELINES AND CONTROLS FOR RESIDENTIAL HOTELS IN THE CITY CENTER AND CENTRAL INDUSTRIAL REDEVELOPMENT PROJECT AREAS

I. PURPOSE

The intent of these Development Guidelines and Controls for Residential Hotels in the City Center and Central Industrial Redevelopment Project Areas ("Development Guidelines") is to restrict the use and development of Residential Hotels in the City Center and Central Industrial Redevelopment Project Areas in order to preserve existing Affordable Housing, guarantee one-for-one replacement of affordable Residential Hotels when a Residential Hotel is proposed for Conversion or Demolition, and prevent or mitigate the hardship that results to Lower Income Households when residential displacement occurs.

Residential Hotels have historically provided housing of last resort to thousands of households with special needs, including the elderly, persons with disabilities, and Lower Income Households in the City Center and Central Industrial Redevelopment Project Areas. As of the date of adoption of these Development Guidelines there are 9,113 known Residential Hotel units (see Attachment A hereto) in the Project Areas that provide Affordable Housing for this disadvantaged population. Less than one-third of these units are currently protected through non-profit ownership and/or Affordable Housing covenants. At least 5,000 Residential Hotel Units are at risk of Demolition or Conversion for market purposes without adequate requirements for replacement of the units or protections to mitigate the hardship that Demolition and Conversion creates for Lower Income Households. Loss of these Affordable Housing units and displacement of the hardest to serve population that resides in these units also would significantly increase the cost of existing safety net services and exacerbate the existing homelessness crisis in the City of Los Angeles.

These Development Guidelines further the goals of the City Center and Central Industrial Redevelopment Plans by preserving and protecting the supply of Affordable Housing in the respective Project Areas, and by preventing or mitigating the hardship caused by displacement of Lower Income Households with special needs.

II. FINDINGS

The Community Redevelopment Agency of the City of Los Angeles ("CRA") makes the following findings:

1. Residential Hotels, including single-room occupancy (SRO) hotels, are often the housing of last resort for the poorest of the poor; and there is a scarcity of Affordable Housing alternatives available to Residential Hotel Occupants; and

2. The City Council has determined that Residential Hotels are an essential component of the City's Affordable Housing supply and adopted as of May 10, 2006 an Interim Control Ordinance temporarily prohibiting the conversion or demolition of residential hotels citywide; and

3. Residential Hotels are currently being threatened by economic forces unleashed by gentrification that has resulted in a significant loss of affordable residential units. The City's Housing Department determined in 2005 that between 1995 and 1999, more than 100 Residential Hotel Units were removed from the Affordable Housing market, and that between 2000 and 2003, nearly ten times that (982 Residential Hotel Units) were lost; and

4. Any loss of Affordable Housing could force Lower Income Households into homelessness, subjecting many more persons and families to inhumane living conditions, increased crime, and endangering the health and safety of those persons and the community; and

5. An increase in the homeless population would exacerbate the already overwhelming burden on public and non-profit agencies that provide protective, social, health, psychological, nutrition, and other important and necessary services to this population; and

6. The City and CRA have programs in place to assist in the rehabilitation of Residential Hotels into clean, safe, decent, and permanent Affordable Housing for Lower Income Households; and

7. Annual vacancy rates below 5%, combined with the 22% increase in the cost of rental housing in the City of Los Angeles have limited choice for rental housing; forcing households into undesirable units or onto the streets; and

8. According to a study conducted by the Southern California Association of Non-Profit Housing in December 2002, affordability is highly concentrated with low-income households representing over 80% of those who overpay for housing; and

9. Affordable housing is not being produced at a rate that keeps up with the need. Nearly 90% of all residential building permits issued are for market rate housing while only about 10% are for affordable housing even though low income individuals make up close to 50% of the renter population in the City of Los Angeles; and

10. Relocation assistance requirements should provide for fair, uniform, and equitable treatment of all affected persons, especially those who are involuntarily displaced; and

11. Minimizing the adverse impact of displacement is essential to maintaining the economic and social well-being of communities; and

12. These Development Guidelines establish a uniform procedure for the fair and equitable treatment of persons displaced as a direct result of demolition, conversion or rehabilitation of residential hotel units. A primary purpose of these Development Guidelines is to ensure that persons displaced from Residential Hotel Units shall not suffer disproportionate injuries and to minimize the hardship of displacement on these persons.

III. DEFINITIONS

Agency Agreement. A disposition and development agreement, owner participation agreement, or loan or grant agreement with the CRA to implement a redevelopment project within the City Center or Central Industrial Project Areas.

Affordable Housing. Housing that is affordable to Lower Income Households at housing costs and rents as defined in Health & Safety Code §§50052.5 and 50053 and applicable State of California regulations.

Affordable Rent. All Replacement Units proposed for rehabilitation or new construction at the site of a Residential Hotel or at another site must be available to Lower Income Households at an "Affordable Rent". "Affordable Rent" shall mean:

(a) If the Residential Hotel Units are Demolished, Converted or rehabilitated by the CRA or any other person or entity as a result of a CRA Assisted Project, the lower of (i) the affordability level required by the Community Redevelopment Law (CRL); or (ii) the rent level of the unit(s) as set forth in Attachment B hereto [the 2006 survey by the CRA], adjusted annually by the CPI, provided however, that the rent and utilities for the unit may not exceed 30% of the AMI applicable to the family that occupies the unit, and in no event, will the rent and utilities for the Replacement Units exceed 30% of 60% of the AMI [for a household of one]; or

(b) If the Residential Hotel Units are Demolished, Converted or rehabilitated by a private owner, rent shall be based on the rent level of the unit as set forth in Attachment B hereto, adjusted annually by the CPI, and in no event, will the rent and utilities for the Replacement Units exceed 30% of 60% of the AMI for a household of one.

(c) In the event that Attachment B does not have information concerning the rental amount for a given residential hotel, and that information has not been added within six months of the adoption of the Development Guidelines, that figure shall be deemed to be the rental amount derived from the average rent of the remainder of the residential hotels in the survey, adjusted annually by the CPI.

Area Median Income ("AMI") means the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, as determined annually by The United States Department of Housing and Urban Development (HUD).

Central Industrial Project Area. The area identified in the map of the Central Industrial Redevelopment Plan, adopted by the Los Angeles City Council on November 15, 2002 by Ordinance 174978.

City. The City of Los Angeles, California.

City Center Project Area. The area identified in the map of the City Center Redevelopment Plan, adopted by the Los Angeles City Council on May 15, 2002 by Ordinance 174593.

Comparable Replacement Unit. A unit to which a Displaced Person is referred pursuant to the relocation assistance provisions of Government Code §7260, *et seq.*, and implementing regulations and any other applicable local, state or federal laws and regulations governing relocation assistance obligations of a public or private entity. "Referral" means that a Displaced Person is offered an actual unit that is affordable and available to the Displaced Person.

Conversion. Conversion and derivatives thereof means the conversion of a Residential Hotel Unit(s), to either housing that is not affordable to Lower Income Households or to a non-residential use.

CRA. The Community Redevelopment Agency of the City of Los Angeles, California.

CRA Assisted Project. A project located within the City Center or Central Industrial Project Areas that is subject to an Agency Agreement or that receives Financial Assistance.

CRL. The California Community Redevelopment Law, Health and Safety Code §§33000 *et seq*.

Demolition. Demolition and derivatives thereof mean the permanent removal of a Residential Hotel Unit(s).

Displaced Person. An individual or household that is or was a Residential Hotel Occupant for at least ninety (90) days prior to an application to Demolish, Convert, or rehabilitate the Residential Hotel Unit, including a Residential Hotel Occupant that has moved or been excluded from a Residential Hotel Unit due to the practice commonly known as "the 28 day shuffle".

Financial Assistance. Any loan, grant, subsidy, or similar participation in the cost of development of a project within the City Center or Central Industrial Project Areas provided by the CRA irrespective of source, as contrasted with generalized financial relief such as through tax legislation. Categories of such assistance shall include, but are not limited to:

CRA approved bond financing; CRA planning assistance which results in a discrete monetary benefit to the developer such as a fee reduction or fee waiver; tax increment financing; construction of off-site public improvements by the CRA that would otherwise be the responsibility of the developer; land write-downs and tax credits.

A market rate loan shall not be regarded as Financial Assistance, however, the forgiveness of the loan shall be regarded as Financial Assistance as shall a loan at a reduced or preferential interest rate, or a loan for which repayment is deferred or relieved. A residual receipts loan shall be considered Financial Assistance.

HUD. The U.S. Department of Housing and Urban Development.

Lower Income Household(s). An individual or household whose household income qualifies as Extremely Low, Very Low or Low under the definitions as set forth in California Health & Safety Code §§50106, 50105 and 50079.5.

Nonprofit Housing Organization. A non-profit entity exempt from the Los Angeles Rent Stabilization Ordinance (Los Angeles Municipal Code 151.02).

Relocation Assistance Plan. A plan that is comparable to the plan referred to in California Government Code §7260 *et seq.* and Title 25 of the California Code of Regulations §6000 et seq. and any other applicable local, state or federal laws and regulations governing relocation assistance obligations of a public or private entity.

Replacement Housing Plan. A plan for Replacement Units that contains all of the information required by Section IV.B of these Development Guidelines, and if the Residential Hotel Units are Demolished, Converted or rehabilitated by a public or private entity or any other person or entity as a result of a CRA Assisted Project, such information or requirements as may be required by applicable local, state or federal laws and regulations governing replacement housing obligations of a public or private entity.

Replacement Unit. A unit that is restored or added to the Affordable Housing market as a result of the provisions of Sections IV.B and VI of these Development Guidelines.

Residential Hotel/SRO ("Residential Hotel"). Any building, including a building with single-room occupancy ("SRO") units, containing six or more guest rooms or efficiency units primarily intended or designed to be used, or which are used, rented or hired out to be occupied, or which are occupied, for sleeping purposes, and dwelling purposes by guests, meeting the definition of "Residential Hotel Occupant," which is the primary residence of those guests, whether rent is paid in money, goods, or services. All hotels meeting the definition above within one year prior to the adoption of the Development Guidelines are considered to a be Residential Hotel/SRO.

It does not include any jail, health facilities as defined by Section 1250 of the Health and Safety Code, asylum, sanitarium, orphanage, prison, convent, rectory, residential care facility for the elderly as defined in Section 1569.2 of the Health and Safety Code,

residential facilities as defined in Section 1502 of the Health and Safety Code or other institution in which human beings are housed or detained under legal restraint.

For the purposes of these Development Guidelines an inventory of Residential Hotels meeting this definition is attached hereto and incorporated herein as Attachment A.

Residential Hotel Unit means a guestroom or efficiency unit of a Residential Hotel.

Residential Hotel Occupant means a household residing in a Residential Hotel who uses that Residential Hotel Unit as their primary residence. Relevant criteria to demonstrate that a Residential Hotel Unit is the primary residence of a Residential Hotel Occupant may include rent receipts, landlord rent logs, bills or other mail addressed to the resident, and/or such other documentation or certification that reasonably demonstrates that the Residential Hotel Unit is the primary residence of the Residential Hotel Occupant.

Targeted Housing Unit means a Replacement Unit that is targeted and/or restricted to households with special needs such as seniors or persons with disabilities.

IV. APPROVAL OF A PERMIT TO DEMOLISH, REHABILITATE OR CONVERT A RESIDENTIAL HOTEL

A. **Permit Approval Requirements.** No permit for the Demolition, rehabilitation or Conversion of a Residential Hotel Unit(s) located in the City Center or Central Industrial Redevelopment Project Areas, as set forth on Attachment A hereto, will be approved by the CRA, unless:

1. The proposed new use is an Affordable Housing project with Affordable Rents that are covenanted for the longest feasible time and not less than 55 years by recorded affordability covenants; or

2. The Demolition, Rehabilitation, or Conversion is required by Building and Safety to correct immediate health and safety violations and no Residential Hotel Occupants are permanently displaced. If displacement is necessary, the same relocation requirements set forth in Section VIII of these Development Guidelines and replacement requirements set forth in Sections IV.B and VI of these Development Guidelines shall apply as if the building was being converted to market rate; or

3. The Residential Hotel is Converted but Residential Hotel Units are replaced on a one-for-one basis pursuant to one of the methods set forth in Section VII of these Development Guidelines, and all Displaced Persons receive relocation benefits as set forth in Section VIII of these Development Guidelines; and

4. The Replacement Housing Plan required by Section IV.B of these Development Guidelines and the Relocation Assistance Plan(s) required by Section VIII of these Development Guidelines are approved by the CRA Board of Commissioners. In cases where the Replacement Units will be built upfront, the applicant shall have executed a

covenant to the CRA that it will not apply for a Certificate of Occupancy for the structures whose development caused the Demolition, Conversion or permanent removal of the Residential Hotel Units until it has completed the Replacement Units called for by the Replacement Housing Plan that the CRA Board has approved.

B. Replacement Housing Plan.

Prior to the approval of a permit for the Demolition, rehabilitation, or Conversion of a Residential Hotel, a Replacement Housing Plan also must be submitted for approval by the CRA Board of Commissioners. The Replacement Housing Plan must include:

1. A description of the proposed Conversion, Demolition, or rehabilitation including the nature of the proposed project, the total number of units proposed and all related amenities, proposed rental or for-sale rates of the proposed units, and a tentative schedule for start of construction;

2. The total number of existing Residential Hotel Units in the Residential Hotel;

3. The bedroom composition of the existing Residential Hotel Units;

4. A report from a qualified relocation consultant on the income levels of the Residential Hotel Occupants, the current rental rates for each Residential Hotel Unit, the length of residency of each Residential Hotel Occupant, the number of vacant units and length of vacancy;

5. A statement as to whether any Residential Hotel Occupants will be displaced as a result of the proposed project. If so, a Relocation Assistance Plan pursuant to Section VIII of these Development Guidelines must also be submitted for approval by the CRA Board of Commissioners.

6. A plan for replacement of the occupied and vacant Residential Hotel Units by at least a like number of units of a bedroom composition that meets HUD standards for the number of persons accounted for in each occupied Residential Hotel Unit, and in the case of vacant units, the same bedroom composition of the unit;

7. The proposed location of Replacement Units if replacement is provided off-site pursuant to Section VII.B of these Development Guidelines, and verification that the applicant has site control of the proposed location;

8. If replacement is proposed through the purchase of affordability covenants pursuant to Section VII.C of these Development Guidelines, a description of the proposed property, including but not limited to, the location of the property, number of existing units, bedroom composition, whether the property is vacant or occupied, existing rent levels, whether affordability covenants currently exist on that property, and if so, the nature and duration of those covenants.

9. The name of the entity contracted with to develop the Replacement Units, a summary of the composition and funding proposed for the project, and an evaluation of the likelihood and anticipated date by which the applicant will receive such funding;

10. If an in-lieu fee is proposed pursuant to Section VII.D of these Development Guidelines, the calculation and amount of the proposed in-lieu fee;

11. The manner and timing in which the Replacement Units will be replaced;

12. An explanation of any inconsistencies between the number of Replacement Units and affordability levels provided for in the Replacement Housing Plan and the inventories attached to these Development Guidelines as Attachments A and B; and

13. If the Residential Hotel Unit(s) are to be Demolished, Converted or rehabilitated by the CRA or any other person or entity as a result of a CRA Assisted Project, such additional information or requirements as may be required by applicable local, state or federal laws and regulations governing replacement housing obligations of a public or private entity.

C. Additional Design Guidelines.

All proposals for new construction or rehabilitation also are subject to design review by the CRA/LA and must meet minimum requirements of approved design guidelines for the respective Project Area.

V. ALLOWANCES FOR UNIT REDUCTIONS IN BUILDING REHABILITATION

In the case of a proposed rehabilitation of an existing Residential Hotel Unit(s) for continued residential use by Lower Income Households at Affordable Rents, a reduction in the number of Replacement Units required may be allowed where the CRA determines that:

A. The improvement of living conditions requires the addition of bathrooms, kitchens, community rooms or like facilities, and for code compliance for such matters as life and safety, accessibility for persons with disabilities, or other improvements require the modification or enlargement of units in the structure, provided however, that the net loss of Residential Hotel Units due to such improvements will not exceed 25% of the total Residential Hotel Units.

B. In the event additional Residential Hotel Units are lost above the limits set forth in paragraphs V.A above, the additional Residential Hotel Units must be replaced on a one-for-one basis pursuant to Section VI of these Development Guidelines.

C. The rehabilitated units and any additional Replacement Units shall have recorded covenants pursuant to Section VI.D of these Development Guidelines at Affordable Rent levels for the longest feasible time and not less than 55 years; and

D. All Displaced Persons must receive relocation benefits as set forth in Section VIII of these Development Guidelines.

VI. REPLACEMENT UNIT REQUIREMENTS.

In the case of a proposed Demolition, Conversion, or replacement requirement pursuant to Section V.C of these Development Guidelines, of an existing Residential Hotel Unit(s) the following Replacement Unit requirements shall apply:

A. One-for-One Replacement. The number of Replacement Units required to be constructed, or otherwise produced pursuant to one of the methods set forth in Section VII of these Development Guidelines if replaced by a private owner, shall be equal to the number of Residential Hotel Units, occupied or unoccupied, in the Residential Hotel as reflected in Attachment A to these Development Guidelines. The only allowances to this one-for-one replacement requirement are those set forth in Section V of these Development Guidelines.

B. Type of Replacement Units. All Replacement Units shall be rental units with Affordable Rents and shall comply with the following requirements:

1. **Size of Units.** The Replacement Units shall include a bedroom composition that meets HUD standards for the number of persons accounted for in each occupied Residential Hotel Unit, and in the case of vacant units, the same bedroom composition as the Residential Hotel Unit. The Replacement Units may include the addition of bathrooms and/or kitchenettes.

2. **Code Compliance.** All replacement housing units shall be constructed subject to the zoning and other codes of the City of Los Angeles and the applicable Redevelopment Plan. Replacement Units shall be decent, safe and sanitary and shall meet appropriate occupancy standards in terms of the number of persons to be housed in such units.

3. **New Construction or Rehabilitation of Replacement Units.** Replacement may mean new construction or rehabilitation of existing units. However, rehabilitated units may only qualify as Replacement Units if the units are not included on Attachment A to these Development Guidelines.

C. Affordability Levels. Each Replacement Unit(s) shall be made available at the Affordable Rent level applicable to that unit pursuant to the definition of Affordable Rent set forth in Section III of these Design Guidelines, and shall be maintained, operated and, with the exception of temporary vacancies, shall be occupied by, a household with an income level that is at or below that Affordable Rent level. For example, a Replacement Unit with a rent level that is affordable to a very low income household must be occupied

by a household with a very low or extremely low income, but not by a household with a low income. Residential Hotel Units that are vacant on the date the permit application is submitted for which no information on income of prior tenants or prior rent levels is available shall be replaced at the average rent of the applicable Residential Hotel according to Attachment B to these Development Guidelines.

D. Affordability Covenants. All Replacement Units shall remain available at the applicable Affordable Rent level, and with the exception of temporary vacancies, shall be occupied by, households with incomes at or below that Affordable Rent level , for the longest feasible time as defined in Health & Safety Code §33334.3, but not for fewer than 55 years. To ensure such long-term affordability, covenants of affordability that run with the land shall be recorded with the County of Los Angeles Recorder's office for all Replacement Units, pursuant to Health & Safety Code §33334.3, and a copy of the recorded covenants shall be provided to the CRA within thirty (30) days of the date of recording.

E. Location of Replacement Units. The CRA shall make every effort to ensure that any and all Replacement Units shall be located within the City Center and Central Industrial Project Areas. In this Section "every effort" means a determination made by the CRA Board only after a duly noticed public meeting that provides a full opportunity for public comment. If the CRA, after following this procedure, cannot locate the units in the City Center and Central Industrial Project Areas, the CRA may adopt or approve a Replacement Housing Plan that provides for Replacement Units to be located: (1) within the solid lines denoted on Map A attached to these Development Guidelines as Attachment C; or (2) for Replacement Units that are constructed for households with dependent children, within the boundaries of the dotted lines denoted on Map A (Attachment C), if the CRA Board first makes findings that the Replacement Units will serve households at the same or lower income levels as the Displaced Persons. The CRA will encourage all Replacement Units to be located within a reasonable distance from public transit and services to the fullest extent feasible.

F. Timing of Replacement.

1. Removal of Residential Hotel Units by CRA or CRA Assisted Project. All Replacement Units shall be made available for occupancy as soon as possible but in no event more than four years from the date of Demolition, Conversion, or permanent removal of the Residential Hotel Units from occupancy by Residential Hotel Occupants, whichever is earlier. The CRA also shall make its Best Effort to ensure that the Replacement Units are completed prior to the removal of any Residential Hotel Units. In the event Replacement Units are not available for occupancy prior to the removal of Residential Hotel Units, the CRA shall provide or cause to be provided supplemental relocation assistance benefits pursuant to Section VIII.A.3 of these Development Guidelines.

2. Removal of Residential Hotel Units by Private Owner. Subject to the exceptions and restrictions set forth in this Section VI.F.2 of these Development

Guidelines, all Replacement Units shall be completed not later than four years from the date of displacement of the Residential Hotel Occupants. The private owner also shall provide on a semiannual basis evidence of progress toward the completion of such Replacement Units. Evidence of progress may consist of evidence of site control of a replacement housing site, preparation and submittal of plans, permit applications, permit approvals, commitments for construction and permanent financing, construction contracts and like documents. In addition, the following exceptions and restrictions apply:

a.. Prior Replacement. The Replacement Units shall be completed prior to the date any Residential Hotel Unit is removed unless (a) relocation benefits are provided to all Displaced Persons in the amount set forth in Section VIII.B of these Development Guidelines; or (b) the private owner posts security with the CRA sufficient to provide the lump sum relocation benefits required pursuant to Section VIII.B of these Development Guidelines; and (c) the private owner posts security with the CRA, in an amount determined by the CRA to be adequate to assure the construction of the Replacement Units.

b. Six Month Extension. Under exceptional circumstances and based on a finding by the CRA that the applicant is exercising all good faith efforts to comply with the replacement requirements of this Section VI of these Development Guidelines and to complete the Replacement Units within the four year period for replacement, the CRA may extend the delivery date of the Replacement Units by not more than six months. Exceptional circumstances mean circumstances beyond the developer's control, such as difficulty in obtaining financing, building or other permit approval, rezoning, variances or clear title.

c. Permit Review. When the Private Owner opts to complete their replacement requirement prior to removing any Residential Hotel Units, the CRA shall ensure that no permit is issued for Demolition, Conversion or permanent removal of the Residential Hotel Units until the Private Owner produces a Certificate of Occupancy for the Replacement Units and they are offered to the permanent residents of the subject Residential Hotel.

d. No Evictions. The applicant and/or owner of the Residential Hotel may not evict a Residential Hotel Occupant pursuant to Los Angeles Municipal Code Section 159.09 A (10) (demolition or permanent removal from the rental 'market) prior to approval and implementation of the Replacement Housing Plan required by Section IV.B of these Development Guidelines and prior to approval and compliance with the relocation requirements set forth in Section VIII of these Development Guidelines.

G. Right of First Refusal. All Displaced Persons shall have a right of first refusal for admission to a Replacement Unit constructed pursuant to these Development Guidelines, so long as such Displaced Person would otherwise meet all requirements imposed by statute, regulation or funding source for admission to such Replacement Unit, and provided that the household income of the Displaced Person is at or below the

affordability level applicable to the Replacement Unit for which the Displaced Person applies. To insure implementation of this requirement, the private owner shall:

1. **Notice of Right of First Refusal**. Prior to any displacement of a Residential Hotel Occupant, provide each Displaced Person with a written notice of the Displaced Person's right of first refusal pursuant to Section VI.G of these Development Guidelines, and encourage the Displaced Person in that notice to notify the private owner and CRA of any change in address in order to receive a notice of availability of a Replacement Unit.

2. **List of Displaced Persons**. Maintain a list of all Displaced Persons and their current addresses and update the list, as applicable, to reflect any change of address by Displaced Persons prior to the time the Replacement Units are made available;

3. **Notice to CRA of Schedules**. Provide the CRA with written notice of the anticipated construction and/or rehabilitation schedule for the Replacement Units, the anticipated date of availability of the Replacement Units, and the anticipated date that applications for rental of the Replacement Units will be taken and update the schedules as the project progresses;

4. **Notice of Availability of Replacement Units and Preferential Screening of the Application**. Provide all Displaced Persons with advance notice of the availability of a Replacement Unit; a rental application for the unit; an opportunity to apply and be considered for the unit in advance of marketing the Replacement Units to other prospective tenants; and a written determination of whether the Displaced Person's application is approved or rejected, and if rejected, the basis therefore;

5. **Copies of Notices and Lists to CRA**. Provide a copy of all Notices to Displaced Persons pursuant to Sections VI.G.1 and VI.G.4 above; the list of Displaced Persons and all updates to that list to the CRA pursuant to Section VI.G.2;

H. **Targeted Housing Units**. Targeted Housing Units shall count towards the Replacement Unit obligations of this Agreement so long as the number of Targeted Housing Units are directly proportionate to the number of units that were occupied by that targeted population at the time the Residential Hotel/SRO Unit(s) or other Lower Income housing units are removed.

I. **Incentives**. Replacement Units shall be eligible for various incentives including density variation, CRA assistance with parking reduction and other land use approvals, and priority CRA funding to the extent that funds are available.

VII. METHODS FOR REPLACEMENT OF UNITS BY PRIVATE OWNER

Subject to approval by the CRA, after finding that the applicant has met all of the requirements of these Development Guidelines, a private owner that is not subject to an Agency Agreement and has not received Financial Assistance may meet the replacement

housing obligations required by these Development Guidelines pursuant to one or more of the following methods:

A. **On-Site Replacement Units**. Construct or cause to be constructed on the same site as the Residential Hotel to be Demolished or Converted, a Replacement Unit(s) that is similar in size, services, and facilities as the removed unit(s), and in compliance with all federal, state and local codes for each of the total number of original units as set forth on Attachment A of these Development Guidelines, except as provided in Section V above.

B. **Off-Site Replacement Units**. Construct or cause to be constructed on another site that is located within the applicable boundaries of the map attached hereto as Exhibit C [Map A], a Replacement Unit(s) that is similar in size, services, and facilities as the removed unit(s), and in compliance with all federal, state and local codes for each of the total number of original units as set forth on Attachment A of these Development Guidelines, except as provided in Section V above.

C. **Purchase of Affordability Covenants**. Purchase new or extended long-term affordability covenants for the longest feasible time and no less than 55 years on an equal number of units that are similar in size, services, and facilities as the removed unit(s). The covenants shall insure Affordable Rents at the same level as would apply if On-Site Replacement Units were constructed. Compliance with this method must be evidenced by a recorded performance deed of trust securing the obligations under the affordability covenants and recorded affordability covenants on the property where the new or extended covenants are purchased. This option shall only be available in the event: (1) the affordability covenants are purchased on property that is affordable only to households with incomes at or above 80% of the AMI; or (2) the units are newly constructed, vacant and have no existing recorded affordability covenants requiring Affordable Rents.

D. **Payment of an In-Lieu Fee**. Pay an in-lieu fee to the CRA in an amount at least equal to 80 percent of the cost of construction of an equal number of Replacement Units plus the cost of site acquisition. The CRA shall determine the site acquisition cost based upon an independent appraisal of comparable sites located within the applicable boundaries of Map A attached hereto as Attachment C, subject to review and approval by the CRA, and shall determine the estimated cost of construction based on the industry standard. Any in-lieu fee paid pursuant to this Section VII.D shall be deposited into a CRA administered Residential Hotel Preservation Fund Account and shall be spent solely for the purpose of constructing the required Replacement Units or preserving Residential Hotels as Affordable Housing in the City Center and Central Industrial Redevelopment Project Areas.

In cases where the CRA approves an applicant's election to pay an in-lieu fee pursuant to this Section VII.D, no permit to Convert or Demolish shall be approved until the applicant deposits the full amount of the in-lieu fee into the Los Angeles Residential Hotel Preservation Fund Account.

VIII. RELOCATION REQUIREMENTS

In the case of a proposed Demolition, Conversion, or rehabilitation of an existing Residential Hotel Unit(s) all Displaced Persons shall be provided with relocation benefits pursuant to the following provisions.

A. Persons Displaced By The CRA or a CRA Assisted Project.

1. Relocation Assistance Plan. Where the removal by the CRA or a CRA-Assisted Project of Residential Hotel Units or other dwelling units housing Lower Income households identified on Attachment A hereto will result in the displacement of Residential Hotel Occupants, the CRA shall prepare or cause to be prepared, not less than six (6) months prior to any displacement, a Relocation Assistance Plan. The CRA shall follow or cause to be followed the Relocation Assistance Plan in carrying out relocation.

2. Relocation Assistance Benefits. Relocation assistance benefits shall be made or caused to be made by the CRA to Displaced Persons ("displacees") pursuant to local, state, or federal relocation assistance statutes, regulations, and ordinances as may be applicable to the project. In the event more than one local, state, or federal law is applicable to the project, the displacee(s) shall be entitled to the higher level of benefits.

3. Supplemental Relocation Assistance Benefits. In the event Residential Hotel Units are removed prior to completion of the Replacement Units, the CRA shall prepare or cause to be prepared a supplemental relocation assistance plan concurrently with the Replacement Housing Plan or the Relocation Assistance Plan, whichever is prepared first. The supplemental relocation assistance plan shall provide for:

a. Continuation of any replacement housing payment(s) that is received pursuant to the Relocation Assistance Plan by each Displaced Person ("supplemental housing assistance payment") until such time as a Replacement Unit is completed and made available for occupancy by such displacee or the household is placed into Affordable Housing or waives the right thereto in a written waiver that discloses the Displaced Person's right to a Replacement Unit and the effect of a waiver of that right;

b. The manner and method of disbursing all supplemental housing assistance payments shall include written notice to each Displaced Person disclosing the rights and benefits available to such person or household and the responsibilities of the displacee pursuant to the supplemental housing assistance plan, including but not limited to:

i. Except as provided in subparagraphs (ii) and (iii) below, the supplemental housing assistance payment shall extend the existing replacement housing payment beyond the period of time provided by the applicable state or federal relocation assistance law, and until such time as a Replacement Unit is made available to such displacee;

ii. A Displaced Person that voluntarily vacates a Comparable Replacement Unit to which they are relocated, or is evicted for criminal activity pursuant to a judgment entered in an unlawful detainer action, prior to the expiration of the replacement housing payment period for that displacee shall be ineligible for a supplemental housing assistance payment, unless the Displacee receives prior approval from the CRA to vacate the Comparable Replacement Unit.

iii. A Displaced Person that accepts a lump sum Relocation Assistance payment shall be entitled to a supplemental housing assistance payment commencing at the conclusion of the replacement housing payment period that is covered by the lump sum payment, unless the displacee uses the lump sum payment for the purchase of a replacement housing unit.

iv. A supplemental housing assistance payment shall continue until a Replacement Unit is either made available to the Displaced Person or until the displacee has been referred to a Comparable Replacement Unit or waives the right thereto in a written waiver that discloses the Displaced Person's right to supplemental housing assistance and the effect of a waiver of that right.

B. Residential Hotel/SRO Occupants Displaced By Private Owner in a non-CRA Assisted Project.

1. **Relocation Assistance Plan.** Where the removal of a Residential Hotel Unit(s), identified on Attachment A hereto by a private owner that is not subject to an Agency Agreement or Financial Assistance, will result in the displacement of Residential Hotel Occupants, the CRA shall cause to be prepared, not less than six (6) months prior to any displacement, a Relocation Assistance Plan. The Relocation Assistance Plan also shall provide for written notice to each Displaced Residential Hotel Occupant disclosing the rights and responsibilities of the displacee pursuant to this Agreement, including but not limited to the right to relocation assistance and benefits, right of first refusal, and if applicable, right to supplemental relocation assistance. The CRA shall cause the Relocation Assistance Plan to be followed in carrying out relocation.

2. **Relocation Assistance Benefits**. Prior to the displacement of any Residential Hotel Occupant, relocation assistance benefits shall be made by the owner to the Residential Hotel/SRO Occupant(s) in one lump sum payment in the following amount: the greater of (a) 48 months of the rent differential between the market rate rent for a Comparable Replacement Unit at the time of the displacement and the rent the Displaced Residential Hotel Occupant paid at the Residential Hotel unit to be removed; or (b) the relocation assistance benefit appropriate for the Displaced Person set forth in the Los Angeles Rent Stabilization Ordinance; or (c) the Private Owner can provide a monthly payment of the rent differential between the market rate rent for a Comparable Replacement Unit at the time of the displacement and the rent the Displaced Residential Hotel Occupant paid at the Residential Hotel unit to be removed until the Replacement Unit is constructed and offered to the Residential Hotel Occupant, but for no longer than

48 months. The Private Owner will deposit the full 48-month estimated payment into an escrow account, which will be dispersed monthly to the Displacee. When the Replacement Unit is ready for occupancy the Private Owner can withdraw all remaining funds on deposit; plus (d) reasonable moving expenses of not less than the fixed amount provided for by HUD's Fixed Moving Expense and Dislocation Allowance schedule; plus (e) any Supplemental Relocation Assistance that may be required pursuant to Section VIII.B.3 of these Development Guidelines.

3. **Supplemental Relocation Assistance Benefits.** If pursuant to Section VI.F.2 of these Development Guidelines, the Residential Hotel Units subject to replacement pursuant to this Agreement are not replaced within four years from the date of displacement, the owner shall provide the Displaced Person an additional lump sum payment of six (6) months of the rent differential between the market rate rent for a Comparable Replacement Unit at the time of the displacement and the rent the displacee paid at the Residential Hotel Unit to be removed.

a. A Displaced Person that does not qualify for a Replacement Unit because s/he is over-income (the income of the Displaced Person's household is over 60% of AMI) shall be ineligible for supplemental relocation assistance.

4. **Vacant Units**. In the event the owner's Relocation Assistance Plan provides that any of the Residential Hotel Units are vacant, the owner shall provide documentation satisfactory to the CRA that demonstrates when and why the unit(s) was vacated. If the owner fails to provide satisfactory documentation or the CRA reasonably determines that the unit(s) was vacated due to the owner's attempt to avoid relocation assistance obligations, the CRA shall require the owner to deposit additional relocation assistance benefits, in a reasonable amount to be determined by the CRA, into the CRA administered Residential Hotel Preservation Fund Account for distribution to the Displaced Person (s) that was deprived of relocation assistance by the owner, or, if the Displaced Person is not found, the money will be used for the preservation or development of Residential Hotels as Affordable Housing in the City Center and Central Industrial Project Areas.

IX. APPEAL OF RESIDENTIAL HOTEL DETERMINATION.

If a property owner disputes the determination that the property is a Residential Hotel or subject to the Development Guidelines, s/he must submit a request in writing, within 15 working days of receiving a determination on a permit application, stating his/her reasons why the property is not subject to the Development Guidelines. CRA staff will review and respond to the written statement with a determination, supplying a copy of the determination to all tenants in the affected property. If the owner, tenant or community organization representing tenants, is not satisfied with the response, s/he/they can appeal to the Residential Hotel Development Guidelines Appeal Review Board ("Appeal Review Board"), which will be comprised of three representatives appointed by the CRA Chief Executive Officer, by filing a written appeal within 15 working days of the staff determination. The appealing party's written appeal to the Appeal Review Board shall reference all pertinent laws or regulations that are relied upon in support of the appeal, as

well as any contrary authority. Any documents relevant to the appeal should be attached to the written appeal. Factual allegations in the written appeal must be supported by affidavit included with the written appeal. The Appeal Review Board shall set and hold a hearing within 15 working days of receipt of the written appeal to take testimony from the appealing party and other interested parties. The Appeal Review Board shall render a written decision within 15 working days of the hearing. The owner, or community representative/effected tenant, can appeal the Appeal Review Board's determination to the CRA Board by filing a written appeal within 15 working days of the Appeal Review Board's determination. The CRA Board will render a decision after a duly noticed public meeting within a reasonable time not more than 60 working days from the date of appeal from the Appeal Review Board's decision. The CRA Board's determination is final.

X. WAIVERS AND MODIFICATIONS

Application of these Development Guidelines may be waived or modified by the CRA under exceptional circumstances upon a finding, supported by substantial evidence, that: (1) the strict application of these Development Guidelines would result in practical physical or financial difficulties or unnecessary hardship to a particular property owner because of a condition unique to that property, (2) there are exceptional circumstances applicable to the property which do not apply generally to other properties having the same standards, restrictions and controls, (3) permitting a waiver or modification will not be materially detrimental to the public welfare or injurious to the property or improvements in the area, (4) permitting a waiver or modification will not be contrary to the objectives of the City Center or Central Industrial Redevelopment Plans, (5) the strict application of these rules is not in the public interest, and (6) the CRA is able to meet its obligations to preserve the Affordable Housing in the City Center and Central Industrial Project Areas if it grants the modification/waiver.

XI. CONFORMANCE

These Development Guidelines are in effect for the City Center and Central Industrial Redevelopment Project Areas and will be applicable for the life of both the City Center and Central Industrial Redevelopment Plans. In line with California Redevelopment Law as it pertains to a redevelopment plan's conformance to the General Plan, if the City of Los Angeles approves a more restrictive Residential Hotel Ordinance, these Development Guidelines will be modified accordingly to conform.

XII. LOS ANGELES HOUSING DEPARTMENT PERMANENT SUPPORTIVE HOUSING PROGRAM EXEMPTION

Any projects whose sole local funding is provided by the Los Angeles Housing Department through the Permanent Supportive Housing Program are exempt from the application of these Development Guidelines.

ATTACHMENT A

RESIDENTIAL HOTEL UNITS
(Existing in buildings vacant less than one year)

Key	Hsg Type	Project	Address	Assessor Parcel No.	Type and Number of Units		Need to Verify No Units
					Non-Profit/ Govt-Assisted, With Affordable Covenants	Private Ownership/ Low Income	
1	H	Alexandria Hotel	501 So. Spring St.	5149034005/006		472	*
2	H	Amarillo Hotel	128 E. 4th St.	5148008007		36	*
3	H	Angelus Inn (Hotel Annex)	518 So. San Julian St.	5148012015	31		
4	H	Aster Hotel	618 E. 4th St.	5147010018		20	
5	H	Ballington Plaza	622 S. Wall St.	5148024030	270		
6	H	Baltimore Hotel	501 S. Los Angeles St.	5148019012		158	*
7	H	Barclay Hotel	103 W. 4th St.	5149020012		158	*
8	H	Beverly Hotel	1330 S. Olive St.	5134025011	36		*
9	H	Bixby Hotel	433 So. Wall St.	5148007019		90	*
10	H	Boyd Hotel	224 Boyd St.	5148002007	59		
11	H	Bristol Hotel	423 W. 8th St.	5144013028		103	*
12	H	Brownstone Hotel	425 E. 5th St.	5148011001	49		
13	H	Carleton Hotel	534 S. Wall St.	5148015006	45		
14	H	Casa Dilla	1349 Flower St.	5134010010			*
15	H	Casa Roma Hotel	208 W. 14th St.	5134024001		64	*
16	H	Cecil Hotel	640 So. Main St.	5148021010		615	*
17	H	Chetwood	411 E. 4th St.	5147006006		38	*
18	H	Cloud Hotel	315 E. 7th St.	5148023007		31	*
19	H	Continental Hotel	800-802 E. 7th St.	5147031023		64	
20	H	Courtland Hotel	520 S. Wall St.	5148015003	97		
21	H	Crescent Hotel	617 E. 5th St.	5147009003	54		
22	H	Delo Hotel	553 So. Stanford St.	5147020027		16	*
23	H	Dewey Hotel	721 S. Main St.	5144015046	41		
24	H	Drake Hotel	1121 E. 7th St.	5147032001		34	*
25	H	Earl Roy Hotel	233 E. 5th St.	5148010033		40	
26	H	Edward Hotel	713 E. 5th St.	5147010002	46		
27	H	El Sol Hotel	721 E. 5th St.	5147020005	58		*
28	H	Ellis Hotel	802 E. 6th St.	5147029035	56		*
29	H	Eng Hotel	1013 S. Central Ave.	5132007015		49	
30	H	Ensenada Hotel (Walden House)	1355 So. Hill St.	5134025020	47		
31	H	Eugene Hotel	560 S. Stanford St	5147019015	44		
32	H	Florence Hotel	310 E. 5th St.	5148014001	61		
33	H	Ford Hotel	1000-1004 E. 7th St.	5146001001		293	
34	H	Frontier Hotel	111 W. 5th St.	5149022001		450	*
35	H	Genesis Hotel	452-458 S. Main St.	5148009011	29		
36	H	Golden West Hotel	417 E. 5th St.	5148011002	70		
37	H	Harold Hotel	323 E. 5th St.	5148011006	58		
38	H	Hart Hotel	508 E. 4th St.	5147009017	39		*
39	H	Haskell Hotel	528 S. Wall St.	5148015005	38		
40	H	Hayward Hotel	206 W. 6th St.	5144002017/016		614	
41	H	Huntington Hotel	752 So. Main St.	5145001012		200	
42	H	Karlido Hotel	1156 S. Central Ave.	5130001030		14	
43	H	King Edward Hotel	121 E. 5th St.	5148009008		150	*
44	H	La Jolla Hotel	721 E. 6th St.	5147020005	51		
45	H	LAMP Lodge	660 S. Stanford St.	5147029048	50		
46	H	Las Americas Hotel	1205 E. 6th St.	5164009012	57		
47	H	Leland Hotel	116 E. 5th St.	5148019001		60	*
48	H	Leo Hotel	531 So. San Julian St.	5148014008	38		
49	H	Leonide Hotel	512 So. Main St.	5148019009	68		
50	H	Lincoln Hotel	549 Ceres Ave.	5147016020	40		
51	H	Lindy Hotel	419 W. 8th St.	5144013029		20	*
52	H	Lorane Hotel	241 E. 5th St.	5148010006	64		*
53	H	Lyndon Hotel	413 E. 7th St.	5148024007		62	*
54	H	Madison Hotel	423 E. 7th St.	5148024027		194	
55	H	Marion (formerly Webb) Hotel	642 Crocker St.	5147027031		47	
56	H	Market Hotel	966 S. San Pedro St.	5132001022		70	
57	H	Marshall House	523 S. San Julian St.	5148014006	74		*
58	H	Morrison Hotel	1246 S. Hope St.	5139022006		111	*
59	H	New Terminal Apts	907 E. 7th St.	5147029002	41		
60	H	New Union	705 E. 9th St.	5146025024		57	*
61	H	Norbo Hotel	526 E. 6th St.	5147026030		57	
62	H	Ohio Hotel	1104 E. 7th St.	5146004034		80	
63	H	Olive Hotel	750 S. Olive St.	5144013027		49	*
64	H	Olympia Hotel	1201 E. 7th St.	5147034016	44		
65	H	Olympic Hotel	843 S. Central Ave.	5146017015			*
66	H	Oviatt Hotel	1315 S. Flower St.	5134010004		99	

RESIDENTIAL HOTEL UNITS
(Existing in buildings vacant less than one year)

Key	Hsg Type	Project	Address	Assessor Parcel No.	Type and Number of Units		Need to Verify No Units
					Non-Profit/ Govt-Assisted, With Affordable Covenants	Private Ownership/ Low Income	
67	H	Palmer House Hotel	538 S. Wall St.	5148015007	67		
68	H	Panama Hotel	403 E. 5th St.	5148011014	228		
69	H	Pershing/Roma Hotel	502 S. Main St.	5148019011	63		
70	H	Portsmouth Hotel	1308 S. Hill St.	5133001004		53	*
71	H	Prentice Hotel	1014 E. 7th St.	5146001002	46		
72	H	Produce Hotel	676 S. Central Ave.	5147035001	95		
73	H	Rainbow Apts	643 S. San Pedro St.	5148025008	89		*
74	H	Randon Hotel	2053-1/2 E. 7th St.	5164019018		41	*
75	H	Regal Hotel	815 E. 6th St.	5147019009/010/011	70		
76	H	Rivers Hotel	1242 E. 7th	5146008001	76		
77	H	Ross Hotel	640 S. San Julian St.	5148025014		27	*
78	H	Rosslyn Hotel	112 W. 5th St.	5149037010		264	*
79	H	Rossmore Hotel	905 E. 6th St.	5147015040	58		
80	H	Russ Hotel	517 S. San Julian St.	5148014005	229		
81	H	San Pedro Hotel	760 S. San Pedro St.	5146026013	24		*
82	H	San Pedro House	647 S. San Pedro St.	5148025009	18		
83	H	Sanborn Hotel	526 S. Main St.	5148019007	45		
84	H	Senator Hotel	729 S. Main St.	5144015054	99		*
85	H	Simone Hotel	520 S. San Julian St.	5148012016	121		
86	H	South Park Hotel	830 S. Olive St.	5144018026		36	
87	H	Southern Hotel	412 E. 5th St.	5148012006	55		
88	H	SRO Apts	722 So. San Pedro St.	5146033042		24	*
89	H	St. Agnes Hotel	560 So. Gladys Ave.	5147016006		67	
90	H	St. George Hotel	115 E. 3rd St.	5161026004	88		*
91	H	St. Marks Hotel	609 E. 5th St.	5147009004	89		
92	H	Stillwell Hotel	838 So. Grand Ave.	5144019008		232	
93	H	Terminal Hotel	1331 E. 7th St.	5147035002		40	
94	H	Travelers Hotel	553 So. Ceres Ave.	5147016019		27	
95	H	Unknown Name	1338 S. Flower St.	5134011025			*
96	H	Unknown Name	1130 S. Hope St.	5139021004			*
97	H	Unknown Name	730 E. 9th St.	5132001048			*
98	H	Unknown Name	1112 S. Central Ave.	5130001027			*
99	H	Venice Hotel	1605 S. Main St.	5133006001		40	*
100	H	Vogue Hotel	820 S. Spring St.	5144016047		26	*
101	H	Ward Hotel	512 Wall St.	5148015002	72		
102	H	Weldon Hotel	507 Maple Ave.	5148018010	56		
103	H	Yankee Hotel	501 E. 7th St.	5148025011/012	80		
104	H	Yorkshire Hotel	710 S. Broadway	5144015036		98	
TOTAL					3523	5590	

ATTACHMENT B

CRA Rent Schedule Project - Downtown Los Angeles
City Center Area

#	Property Name	Address	Total # of Units	Unit Size: Single, 1, 2, 3, or 4 bdrm.	Unit Rent	# of Units @ this Rent
1	Alexandria Hotel	501 S. Spring St.	TBD			
2	Amarillo Hotel	128 E. 4th St.	TBD			
3	Angeles Inn	518 S. San Julian St.	31	single	$196	1
				single	$268	1
				single	$325	1
				single	$390	1
				single	$404	27
5	Ballington Plaza	622 S. Wall St.	270	single	$0	46
				single	$140	1
				single	$148	1
				single	$189	1
				single	$194	1
				single	$198	1
				single	$201	1
				single	$202	1
				single	$205	5
				single	$221	33
				single	$225	1
				single	$228	2
				single	$230	6
				single	$232	1
				single	$239	1
				single	$243	16
				single	$250	79
				single	$278	16
				single	$293	4
				single	$295	1
				single	$298	1
				single	$300	1
				single	$301	1
				single	$305	1
				single	$310	4
				single	$311	1
				single	$324	1
				single	$325	12
				single	$327	1
				single	$331	1
				single	$338	1
				single	$350	3
				single	$360	23
				single	$400	1
6	Baltimore Hotel	501 S. Los Angeles St.	TBD			
7	Barclay Hotel	103 W. 4th St.	TBD			
8	Beverly Hotel	1330 S. Olive St.	TBD			

CRA Rent Schedule Project - Downtown Los Angeles
City Center Area

#	Property Name	Address	Total # of Units	Unit Size: Single, 1, 2, 3, or 4 bdrm.	Unit Rent	# of Units @ this Rent
9	Bixby Hotel	433 S. Wall St.	TBD			
10	Boyd Hotel	224 Boyd St.	59	single	$281	12
				single	$422	10
				single	$444	28
				single	$460	1
				single	$478	7
				single	$496	1
11	Brownstone Hotel	427 E. 5th St.	49	single	$325	1
				single	$552	47
				single	$1,275	1
12	Bristol Hotel *	423 W. 8th St	Subject to Development Guidelines unless superceded by a settlement agreement in Community Redevelopment Agency of Los Angeles v. Suaya, et. al.			
13	Carlton Hotel	534 S. Wall St.	45	single	$325	2
				single	$402	43
14	Casa Dilla	1349 S. Flower St.	TBD			
15	Casa Roma Hotel	208 W. 14th St.	TBD			
16	Cecil Hotel	640 S. Main St.	TBD			
17	Cloud Hotel	315 E. 7th St.	TBD			
18	Courtland Hotel	520 S. Wall St.	97	single	$196	3
				single	$268	48
				single	$293	33
				single	$325	1
				single	$335	1
				single	$371	1
				single	$397	1
				single	$422	4
				single	$450	4
				single	$475	1
19	Dewey Hotel	721 S. Main St.	42	single	$455	7
				single	$544	32
				single	vacant	3
20	Earl Roy Hotel	233 E. 5th St.	TBD			
21	Ensenada Hotel	1355 S. Hill St.	47	single	$0	5
				single	$338	14
				single	$355	12
				single	$368	1
				single	$403	9
				single	$425	2
				single	$457	3
				single	$477	1
22	Florence Hotel	310 E. 5th St.	61	single	$268	3
				single	$293	1
				single	$325	1
				single	$422	55
				single	$700	1

Cl Rent Schedule Project - Downtown Los A eles
City Center Area

#	Property Name	Address	Total # of Units	Unit Size: Single, 1, 2, 3, or 4 bdrm.	Unit Rent	# of Units @ this Rent
23	Frontier Hotel	111 W. 5th St.	TBD			
24	Genesis Hotel	456 1/2 S. Main St.	29	single	$276	1
				single	$436	20
				single	$438	7
				single	$496	1
25	Golden West Hotel	417 E. 5th St.	TBD			
26	Harold Hotel	323 E. 5th St.	58	single	$196	1
				single	$268	10
				single	$275	1
				single	$293	3
				single	$422	40
				single	vacant	3
27	Haskell Hotel	528 S. Wall St.	38	single	$285	2
				single	$325	1
				single	$402	34
				single	vacant	1
28	Havana (South Park) Hotel	830 S. Olive St.	36	single	$427	6
				single	$451	10
				single	$480	3
				single	$500	10
				single	$526	7
29	Hayward Manor Apts.	206 W. 6th St.	614	single	$284	1
				single	$334	33
				single	$347	1
				single	$365	4
				single	$386	1
				single	$425	1
				single	$426	1
				single	$440	1
				single	$441	2
				single	$450	1
				single	$467	1
				single	$473	1
				single	$480	1
				single	$496	1
				single	$515	1
				single	$525	3
				single	$533	441
				single	$550	2
				single	$551	1
				single	$578	1
				single	$600	7
				single	vacant	108
30	Huntington Hotel	752 S. Main St.	200	single	$600	134
				1	$720	66
31	King Edward Hotel	121 E. 5th St.	TBD			
32	Leland Hotel	116 E. 5th St.	TBD			
33	Leo Hotel	531 S. San Julian St.	38	single	$268	3
				single	$300	1

CRA Rent Schedule Project - Downtown Los Angeles
City Center Area

#	Property Name	Address	Total # of Units	Unit Size: Single, 1, 2, 3, or 4 bdrm.	Unit Rent	# of Units @ this Rent
				single	$325	1
				single	$422	33
34	Leonide Hotel	512 S. Main St.	68	single	$260	1
				single	$325	1
				single	$430	59
				commercial	$2,310	1
				single	vacant	6
35	Lindy Hotel	419 W. 8th St.	TBD			
36	Lorane Hotel	241 E. 5th St.	TBD			
37	Lyndon Hotel	413 E. 7th St.	TBD			
38	Madison Hotel	423 E. 7th St.	194	single	$220	131
				single	$300	63
39	Marshall House	523 S. San Julian St.	70	single	$136	11
				single	$221	29
				single	$351	30
40	Market Hotel	900 S. San Pedro St.	TBD			
41	Morrison Hotel	1246 S. Hope St.	TBD			
42	New Union	705 E. 9th St.	TBD			
43	Olive Hotel	750 S. Olive St.	TBD			
44	Oviatt Hotel	1315 S. Flower St.	99	single	$250	1
				single	$315	2
				single	$336	5
				single	$357	1
				single	$386	1
				single	$393	1
				single	$410	1
				single	$420	5
				single	$500	1
				single	$575	1
				single	$600	51
				single	$603	1
				single	$625	1
				single	$682	2
				single	$700	19
				single	$725	1
				single	$1,020	1
				commercial	$2,364	1
				commercial	$4,760	1
				vacant	$1,900	2
45	Palmer House Hotel	538 S. Wall St.	67	single	$325	2
				single	$521	62
				single	vacant	3
46	Panama Hotel	403 E. 5th St.	228	single	$0	130
				1	$275	1
				1	$325	1
				vacant	$0	96
48	Pershing/Roma Hotel	502 S. Main St.	63	single	$300	1
				single	$301	1

#	Property Name	Address	Total # of Units	Unit Size: Single, 1, 2, 3, or 4 bdrm.	Unit Rent	# of Units @ this Rent
				single	$314	2
				single	$350	1
				single	$358	1
				single	$422	4
				single	$444	46
				single	$478	6
49	Portsmouth Hotel	1308 S. Hill	TBD			
50	Rainbow Apts.	643 S. San Pedro	TBD			
51	Ross Hotel	640 S. San Julian St.	TBD			
52	Rosslyn Hotel	112 W. 5th St.	TBD			
53	Russ Hotel	517 S. San Julian St.	229	single	$0	182
				1	$325	1
				vacant	$0	46
54	San Pedro House Hotel	647 S. San Pedro St.	18	single	$399	9
				single	$422	2
				single	$444	7
55	Sanborn Hotel	526 S. Main St.	45	single	$190	1
				single	$290	7
				single	$350	1
				single	$422	12
				single	$444	16
				single	$478	6
				single	$479	1
				single	vacant	1
56	Senator Hotel	729 S. Main St.	TBD			
57	Simone Hotel	520 S. San Julian St.	121	single	$0	2
				single	$290	25
				single	$350	6
				single	$358	4
				single	$422	4
				single	$423	3
				single	$444	45
				single	$478	21
				single	vacant	11
58	Southern Hotel	412 E. 5th St.	55	single	$325	2
				single	$473	53
59	St. George Hotel	115 E. 3rd St.	TBD			
60	Stillwell Hotel	838 S. Grand Ave.	232	single	$400	2
				single	$450	2
				single	$500	5
				single	$550	2
				single	$600	3
				single	$650	56
				single	$700	8
				single	$750	10
				single	$800	4
				single	vacant	128
				storage	$0	12
61	Venice Hotel	1605 S. Main St.	TBD			

CRA Rent Schedule Project - Downtown Los Angeles
City Center Area

#	Property Name	Address	Total # of Units	Unit Size: Single, 1, 2, 3, or 4 bdrm.	Unit Rent	# of Units @ this Rent
62	Vogue Hotel	820 S. Spring St.	TBD			
63	Ward Hotel	512 Wall St.	72	single	196	8
				single	268	31
				single	293	15
				single	325	1
				single	422	15
				single	vacant	2
64	Weldon Hotel	507 Maple Ave.	56	single	$190	2
				single	$287	17
				single	$338	1
				single	$350	5
				single	$422	7
				single	$478	8
				single	$479	8
				single	vacant	8
65	Yankee Hotel	501 E. 7th St.	80	single	$574	80
66	Yorkshire Hotel	710 S. Broadway	98	single	$400	2
				single	$425	3
				single	$450	2
				single	$475	8
				single	$500	32
				single	$525	26
				single	$550	5
				single	$575	8
				single	vacant	11
				staff office	$0	1
67	Name Unknown	1338 S. Flower St.	TBD			
68	Name Unknown	1130 S. Hope St.	TBD			
69	Name Unknown	730 E. 9th St.	TBD			
		TOTAL	**3,509**			

C Rent Schedule Project - Downtown Los eles
Central Industrial Area

#	Property Name	Address	Total # of Units	Unit Size: Single, 1, 2, 3, or 4 bdrm.	Unit Rent	# of Units @ this Rent
1	Aster Hotel	618 E. 4th St.	20	single	$0	1
				single	$315	1
				single	$330	3
				single	$340	2
				single	$370	2
				single	$380	3
				single	$390	4
				single	vacant	4
2	Chetwood Hotel	411 E. 4th St.	38	single	$330	20
				single	$350	8
				single	$450	10
3	Continental Hotel	800-802 E. 5th St.	TBD			
4	Crescent Hotel	617 E. 5th St.	54	single	$270	2
				single	$379	10
				single	$394	1
				single	$414	35
				single	$422	3
				single	$478	2
				single	vacant	1
5	Delo Hotel	553 S. Stanford St.	TBD			
6	Drake Hotel	1121 E. 7th St.	TBD			
7	Edward Hotel	713 E. 5th St.	46	single	$343	9
				single	$358	35
				single	$368	2
8	Ellis Hotel	802 E. 6th St.	58	single	$196	2
				single	$233	1
				single	$268	34
				single	$294	2
				single	$309	2
				single	$325	1
				single	$422	14
				commercial	$1,000	1
				commercial	$1,090	1
9	El Sol Hotel	721 E. 5th St.	TBD			
10	Eng Hotel (Hotel Tokyo)	1013 1/2 S. Central Ave.	TBD			
11	Eugene Hotel	560 S. Stanford St.	44	single	$275	1
				single	$550	43
12	Ford Hotel	1002 E. 7th St.	293	single	$295	293
13	Hart Hotel	508 E. 4th St.	TBD			
14	Karlido Hotel	1156 S. Central Ave.	TBD			
15	La Jolla Hotel	721 E. 6th St.	51	single	$196	3
				single	$268	8
				single	$294	5
				single	$309	1
				single	$325	1

CR[illegible]ent Schedule Project - Downtown Los A[illegible]les
Central Industrial Area

#	Property Name	Address	Total # of Units	Unit Size: Single, 1, 2, 3, or 4 bdrm.	Unit Rent	# of Units @ this Rent
				single	$422	33
16	Lamp Lodge	660 S. Stanford St.	50	single	$231	12
				single	$365	31
				1	$302	7
17	Las Americas Hotel	1205 E. 6th St.	57	single	$190	2
				single	$301	2
				single	$309	12
				single	$422	14
				single	$444	14
				single	$478	11
				single	$479	1
				single	vacant	1
18	Lincoln Hotel	549 Ceres Ave.	40	single	$455	7
				single	$501	31
				single	vacant	2
19	Marion Hotel	642 Crocker St.	47	single	$200	4
				single	$235	32
				single	$250	1
				single	$285	4
				single	vacant	6
20	New Terminal Hotel	907 E. 7th St.	40	single	$574	40
21	Norbo Hotel	526 E. 6th St.	57	single	$240	48
				single	$290	9
22	Ohio Hotel	1104 E. 7th St.	80	single	$340	35
				single	$240	30
				single	$204	15
23	Olympia Hotel	1201 E. 7th St.	44	single	$306	12
				single	$444	22
				single	$422	5
				single	$478	3
				single	$350	2
24	Olympic Hotel	843 S. Central Ave.	TBD			
25	Prentice Apts.	1014 E. 7th St.	46	single	$268	1
				single	$500	1
				single	$517	44
26	Produce Hotel	676 S. Central Ave.	95	single	$450	75
				single	vacant	20
27	Randon Hotel	2053 1/2 E. 7th St.	TBD			
28	Regal Hotel	815 E. 6th St.	70	single	$196	1
				single	$198	5
				single	$268	38
				single	$293	2
				single	$308	3
				single	$325	1
				single	$422	20
29	Rivers Hotel	1226-1242 E. 7th St.	76	single	$275	1
				single	$333	2
				single	$375	1

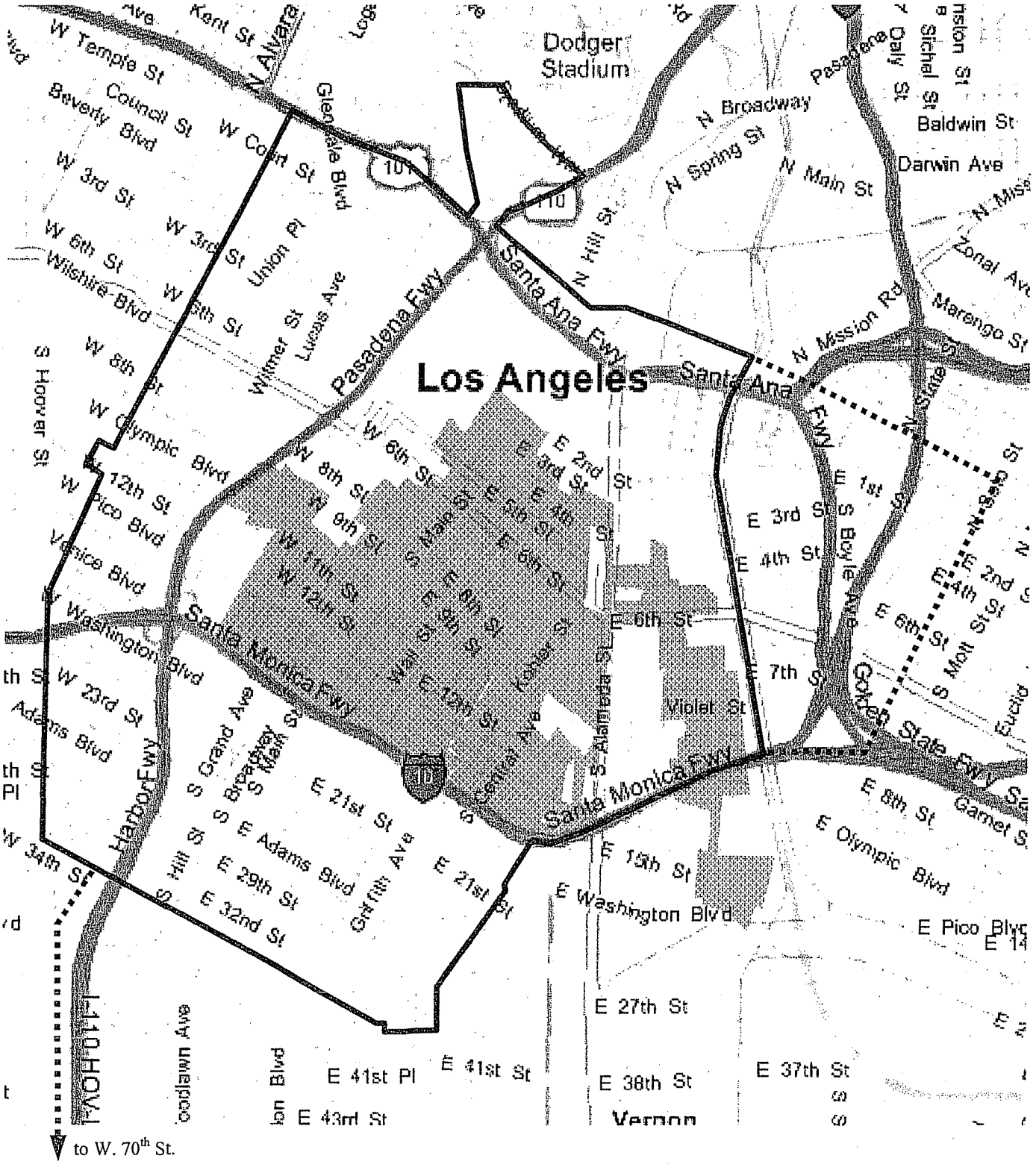
C Rent Schedule Project - Downtown Los geles
Central Industrial Area

#	Property Name	Address	Total # of Units	Unit Size: Single, 1, 2, 3, or 4 bdrm.	Unit Rent	# of Units @ this Rent
				single	$381	1
				single	$400	1
				single	$506	60
				single	$564	1
				single	$565	10
				single	$1,030	1
30	Rossmore Hotel	905 E. 6th St.	58	single	$526	1
				single	$528	3
				single	$552	49
				single	vacant	5
31	San Pedro Hotel	760 S. San Pedro St.		TBD		
32	SRO Apts.	722 S. San Pedro St.		TBD		
33	St. Agnes Hotel	560 S. Gladys Ave.	67	single	$200	15
				single	$280	32
				single	$320	20
34	St. Marks Hotel	611 E. 5th St.	89	single	$419	81
				single	vacant	8
35	Terminal Hotel	1331 E. 7th St.	40	single	$574	40
36	Travelers Hotel	553 S. Ceres Ave.	27	single	$400	5
				single	$420	22
37	Hotel (name unknown)	1112 S. Central Ave.		TBD		

TOTAL KNOWN UNITS	1,587

Attachment C
Map A

CRA/LA
City Center/Central Industrial – Replacement Housing Areas



Approved for replacement for all population

Extended area for replacement families

City Center project area

Central Industrial project area