

REPORT TO GOVERNING BOARD

ON

SUCCESSOR AGENCY ACTIONS RELATED TO THE FACILITATION OF SALE OF PEOPLE ASSISTING THE HOMELESS (PATH)-OWNED PROPERTY LOCATED AT 5105 W. 20TH STREET AND THE RECORDING OF NEW COVENANTS ON THE CHINATOWN METRO PROJECT

January 17, 2013

PURPOSE


To inform the Governing Board ("Board") of a clarification in the nature and intent of the affordability covenants recorded on the Chinatown Metro Project to replace those affordability covenants on a property at 5105 West 20th Street in Los Angeles owned by People Assisting the Homeless (PATH).

REPORT

The August 23, 2012 Board Memo which was presented to and approved by this Governing Board dealt with the sale of a PATH owned property at 5105 West 20th Street (20th Street) in Los Angeles which was partially financed by CRA/LA; the transfer of the CRA/LA loan balance on 20th Street to a property at 2346 Cotner Avenue in Los Angeles which also has an existing CRA/LA loan balance; and the replacement of existing affordability covenants at the 20th Street property with a covenant on the Chinatown Metro Project owned by META Housing. (See Attachment A, Board Memorandum) The understanding of CRA/LA staff, PATH staff and META Housing was that the affordability covenants at the Chinatown Metro Project would be equally affordable and comparable to those covenants released at 20th Street. The covenants recorded and released at 20th Street provided for a total of 4 -2 bedroom units to be offered as two units for very low income persons and two units for low income persons under current HCD Standards. The Board Memo made a clerical error, stating that all four of the units would be occupied by persons at "very low" income levels. The intent of the actions and requirements under California Redevelopment Law are to have the new covenants recorded reflect the same term and level of affordability as the original covenants on the 20th Street property. The purpose of this report is make the Governing Board aware of the error and staff's actions to effectuate the recording of affordability covenants on the Chinatown Metro Project for seven years with two two-bedroom units at 50% AMI and two two-bedroom units at 80% AMI using HCD rents (See Attachment B, Chinatown Metro Covenant).

Christine Essel
Chief Executive Officer

By:



David Riccitiello
Chief Operating Officer

ATTACHMENT:

Attachment A: Board Memorandum of 8-23-12
Attachment B: Final Form of Chinatown Metro Covenants

CRA/LA, A DESIGNATED LOCAL AUTHORITY
 (Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

APPROVED

MEMORANDUM

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DATE: AUGUST 23, 2012 CW1026

TO: CRA/LA GOVERNING BOARD

FROM: CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER

STAFF: JENNY SCANLIN, SENIOR OPERATIONS OFFICER

SUBJECT: **PATH – LOAN RESTRUCTURING.** Restructure two residual receipts loans to People Assisting the Homeless (PATH); waive due on sale clause and reconvey deed of trust on property at 5105 West 20th Street, Los Angeles; record new affordability covenant on Chinatown Metro Apartments. (SD2; CD10)

INVESTMENT COMMITTEE: Recommended for approval on May 2, 2012

RECOMMENDATIONS

That the Governing Board take the following actions:

1. Approve and authorize the Chief Executive Officer (CEO) or designee to restructure two residual receipts loans (Loans #875559 and #875761) to People Assisting the Homeless (PATH) into a single residual receipts loan secured by the property located at 2346 Cotner Avenue in consideration for an additional 37 years of affordability covenants;
2. Approve the waiver of the due on sale clause and reconveyance of the deed of trust recorded on 5105 West 20th Street ("20th Street"); and
3. Approve and authorize a seven-year affordability covenant agreement to be recorded on four units of the Chinatown Metro Apartments senior affordable housing project at 808 N. Spring Street.

SUMMARY

PATH received a loan from the Prior Agency in 1989 to acquire a property with four 2-bedroom units located at 5105 West 20th Street to be used as transitional for homeless families. The CRA/LA loan agreement, which is tied to the CRA/LA's deed of trust, restricts the 20th Street property to affordable housing for very low income households (HCD levels) until 2019. In 1992, PATH received another loan from the Prior Agency to acquire a property located at 2346 Cotner Avenue ("Cotner") to be used as a 32-bed shelter for homeless adults. Neither site is in a redevelopment project area (Attachment A).

PATH is proposing to sell the 20th Street property and utilize the sales proceeds for general operating costs and to increase operating reserves for other properties serving low income clients that PATH owns and operates. An offer to purchase the 20th Street property for

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\$660,000 has been made but is contingent on CRA/LA approving the sale and reconveying its deed of trust.

Section 33334.3(f)(1)(A) of the CRL provides that CRA/LA "may replace rental units with equally affordable and comparable rental units in another location within the City if (i) the replacement units are available for occupancy prior to the displacement of any persons and families of low or moderate income residing in the units to be replaced and (ii) the comparable replacement units are not developed with moneys from the Low and Moderate Income Housing Fund".

To fulfill this requirement, Meta Housing has agreed to record a seven-year affordability covenant restricting four 2-bedroom units to very low income levels (HCD levels) at the Chinatown Metro Apartments project, which did not receive any Low and Moderate Income Housing Funds from the Prior Agency. The Chinatown Metro Apartments project broke ground in December 2011 and the units are expected to be available for occupancy by December 2012. PATH will be obligated to ensure that their current tenants are not displaced prior to the availability of the Chinatown Metro units.

In addition, at the request of PATH, staff is seeking to waive the due on sale clause and consolidate the two loans for the 20th Street and Cotner properties into one loan secured by the Cotner property. Below is a table showing the two loan balances as of May 24, 2012:

	20 th Street Loan	Cotner Loan
Principal	\$216,817	\$300,000
Accrued Interest (as of May 24, 2012)	\$146,663	\$176,720
TOTAL	\$363,480	\$476,720

The 20th Street loan balance of \$363,480 would be added to the principal of the existing Cotner loan, bringing the new consolidated loan principal to \$663,480. In consideration for waiving the due on sale clause in the 20th Street property deed of trust and consolidating the two loans, PATH would extend the term of the affordability covenants on the Cotner property from 2022 to 2058, an increase of 37 years. The value of each year of covenants on the Cotner property is \$10,000, which was calculated by dividing the original loan amount of \$300,000 by the term of 30 years. Staff then divided the 20th Street loan balance of \$363,480 by the value of each year of covenants on the Cotner property to arrive at the 37-year additional term. These actions are consistent with California Redevelopment Law and AB1484 as the Housing Successor has the ability to allocate loan proceeds for affordable housing purposes. In this case, the Housing Successor will receive the benefit of extended affordability restrictions valued at \$370,000 in lieu of receiving loan repayment on the 20th Street loan.

The amended promissory note would mature on September 22, 2058 at 3.0% per annum with payment from residual receipts. Pursuant to an appraisal conducted by City National Bank in May 2011, the value of the Cotner property is estimated to be \$2,200,000. If the recommended actions are approved, the total amount of loans (including the senior City National Bank loan principal of \$266,000 as of May 31, 2012) on the Cotner property would be \$929,480. This equates to a 0.42 loan to value (LTV) based on the 2011 appraised value of \$2,200,000. This ratio is well below the CRA/LA's underwriting standard of 0.70 or less.

If approved, PATH would execute an amended loan agreement and promissory note for the new CRA/LA principal balance of \$663,480 secured by an amended deed of trust recorded on the Cotner property. PATH would also execute an amended covenant agreement for the additional 37-year covenant period. The loan consolidation and reconveyance of the CRA/LA deed of trust on the 20th Street property would be conditioned upon the recordation of an amended deed of trust on the Cotner property in a second lien position, confirmation to the satisfaction of the CEO or designee that no other liens or encumbrances would impair or jeopardize the new CRA/LA

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deed of trust, and receipt by the CRA/LA of a lenders insurance policy in the amount of \$663,480 subject only to items agreeable to the CEO or designee.

The release of the CRA/LA deed of trust on the 20th Street property would be conditioned upon the concurrent or prior recordation of affordability covenants for a term of seven years in form, content and lien position acceptable to the CEO or designee and availability for occupancy of four 2-bedroom rental units at the Chinatown Metro affordable housing project that are equally affordable and comparable to the units at the 20th Street property being released.

As a condition to CRA/LA's actions described herein, PATH would be responsible for paying all costs in connection with the recommended actions, including, without limitation, payment for the premium of the lenders policy of title insurance.

PREVIOUS ACTIONS**Loan #875559**

June 21, 1989 – Prior Agency Board of Commissioners: Approval of \$216,817 loan to acquire property from the Prior Agency located at 5105 West 20th Street, Los Angeles.

Loan #875761

August 20, 1992 – Prior Agency Board of Commissioners: Approval of \$300,000 loan to acquire property located at 2346 Cotner Avenue, Los Angeles.

DISCUSSION & BACKGROUND

In August 1989, the Prior Agency made a loan for \$216,817 to PATH to acquire from the Prior Agency and rehabilitate a four 2-bedroom residence located at 5104 West 20th Street as a transitional home for homeless families until 2019. The residual receipts loan had a term of thirty years at a rate of 3.0% per annum and was secured by a first deed of trust on the property. The deed of trust has a due on sale provision.

In September 1992, the Prior Agency made a \$300,000 loan to PATH to acquire a property located at 2346 Cotner to be used as a 32-bed transitional home for homeless adults. The residual receipts loan had a term of 30 years at a rate of 3.0% per annum and was secured by a second deed of trust on the property. The loan is scheduled to mature on September 10, 2022. A covenant agreement restricting the use of the property to transitional housing for formerly homeless adults was recorded on October 1, 1992 for a 30-year term. The Prior Agency has never collected any payments on either loan.

Currently, 13 individuals live in the four 2-bedroom units of the 20th Street property. These four households will be relocated prior to the close of escrow, but the 90-day notices to vacate would not be issued earlier than Governing Board approval. Shober Consulting, Inc. has created a model relocation plan (Attachment B) and will ensure that the tenants receive the most financially beneficial package between the federal & state relocation guidelines and the guidelines of the City of Los Angeles' Rent Stabilization Ordinance (RSO). Under the federal guidelines, the maximum amount of relocation benefits would total \$85,000. Under the City's RSO guidelines, the maximum sum would be \$73,280. Because less than 15 households are being relocated, the model relocation plan does not need to be approved by the Governing Board or Oversight Board.

If the recommended actions are approved and PATH is able to close escrow on the sale of the 20th Street property, the net sale proceeds are estimated to be \$500,000. PATH is requesting to retain the net proceeds to establish reserve accounts and help offset decreases in funding for other PATH properties and programs in Hollywood, Silver Lake, Venice, Westwood, and Westchester. In the past year alone, PATH has experienced a decrease of \$323,000 in funding

assistance from public agencies and private donations. Additionally, one of their major funding resources for emergency shelter and services, the Homeless Prevention and Rapid Re-housing Program (HPRP), has been discontinued. Through that program, PATH received a total of \$650,000 in funding assistance just in the past 2 years alone. Allowing PATH to keep the net proceeds of the 20th Street property sale would allow them to maintain their current level of services while they seek other new funding sources for the long-term viability of its programs.

SOURCE OF FUNDS

No CRA/LA funds are required for this action. The Prior Agency loan to Borrower was funded with Bunker Hill Replacement Housing Trust Funds.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

The recommended actions are consistent with AB1x-26, specifically to modify existing affordable housing contracts, allowable types of action to be taken by the Governing Board. The original 20th Street loan as well as the amended Cotner property loan and any repayment proceeds constitute a housing asset as defined in AB1484 [Section 34176(e)]. The restructured loan is expected to be transferred to the Housing Successor and is acceptable to the Housing Successor, as proposed.

ENVIRONMENTAL REVIEW

The recommended actions do not constitute a "Project" as defined by the California Environmental Quality Act (CEQA).

AUTHORITY GRANTED TO CEO OR DESIGNEE

If the proposed recommendations are approved, the CEO or designee would be authorized to take such actions as may be necessary to carry out the recommendations, including but not limited to, negotiating and executing a release of covenant agreement for the 20th Street property, an amendment to covenant agreement on the Cotner property, an amended loan agreement, an amended promissory note, and an amended deed of trust securing the amended promissory note.

Christine Essel
Chief Executive Officer

By:



David Riccitiello
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

Attachment A: Site Map
Attachment B: Model Relocation Plan

ATTACHMENT B

MODEL RELOCATION PLAN

PATH Ventures 5105 West 20th Street Project



PREPARED FOR
PATH Ventures
340 N. Madison Avenue
Los Angeles, CA 90004

BY
Shober Consulting, Inc.
June 2012

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INTRODUCTION

PATH Ventures, a non-profit development corporation providing affordable housing for homeless and at-risk of homeless populations, has owned and operated the apartment complex located at 5105 W. 20th St, Los Angeles, CA 90016 for over 15 years. The property consists of 4 legal residential units on a setback residential parcel in a mixed residential neighborhood.

For the past many years, PATH Ventures and its parent organization PATH, has operated the units under affordable housing guidelines. At this time, the agency feels strongly that it's equity in the project can be better used by investing in land that can create more units than the four (4) at 20th Street. PATH Ventures has asked the CRA/LA, a Designated Local Authority for permission to transfer the original loan plus the accrued interest (which together is over \$300,000) from the property to PATH's transitional housing complex at Cotner Avenue in West Los Angeles, where the group operates over 30 units of affordable temporary housing, plus maintaining management offices for its PATH and related organizations.

PATH Ventures has commenced with initial steps toward selling the property, after negotiations with the previous entity, the Community Redevelopment Agency of the City of Los Angeles (CRA/LA). CRA/LA requested early notification of the intended project to the tenants. PATH Ventures hired Shober Consulting to interview the tenants and issue General Information Notices in June 2011.

PATH Ventures has agreed to pay all tenants the full relocation payments each tenant qualifies to receive, using both federal relocation guidelines, and also City of Los Angeles' Rent Stabilization Ordinance (RSO) relocation guidelines. Tenants will receive the most favorable benefit package between the two sets of guidelines.

This Relocation Plan is presented in four sections:

Section I: Consists of Project area descriptions, the general demographic information on the four (4) affected households, and the PATH Ventures' housing profile.

Section II: Consists of survey methodology and an assessment of the aggregate relocation needs of the current four (4) residential cases of the four (4) total units to be affected as a result of the sale, with explanation of how these needs are to be met, plus a Relocation Cost Estimate.

Section III: Consists of an assessment of the availability of comparable replacement housing sites within Los Angeles and surrounding areas for the four (4) affected households.

Section IV: Consists of the policies and procedures PATH Ventures will follow to ensure a fair and equitable relocation program, consistent with the Federal Uniform Relocation Act (URA) and the California Health and Safety Code.

Shober Consulting, an experienced professional relocation consulting firm, prepared this Relocation Plan (the Plan) in accordance with the applicable provisions of the Uniform Relocation Act, and the United States Department of Housing and Urban Development (HUD) Handbook 1378.

SECTION I: PROJECT AREA DESCRIPTION

A. THE REGIONAL LOCATION

The project site is located at 5105 West 20th Street, Los Angeles, is in the mid-city section of Los Angeles. The street is a mixed single-family and multi-family residential area, near Venice Boulevard and just north of the I-10 Freeway. It is between La Cienega Boulevard to the west, and La Brea Avenue to the east.

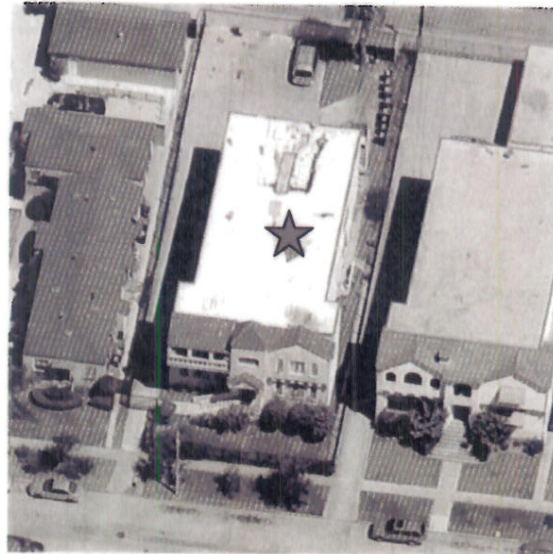
Regional Map



PROJECT SITE LOCATION

The Project site for this development is located at 5105 W. 20th St, Los Angeles, CA 90016. The neighborhood is predominantly apartment buildings and a few single-family parcels, two blocks south of Washington Boulevard. There is street parking on 20th Street, plus a sizeable parking area in the back of the property, secured for parking.

Project Site Map



(Project Site denoted by red star)

C. GENERAL DEMOGRAPHIC INFORMATION & HOUSING PROFILE

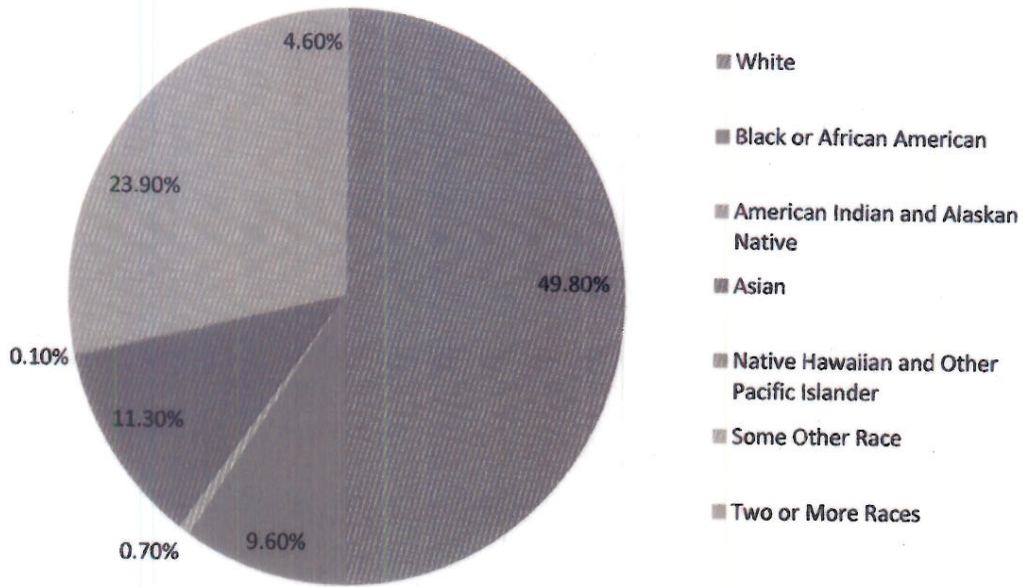
The City of Los Angeles' 2010 U.S. Census population was 3,792,621.

In the City of Los Angeles, the minority of housing units (511,485) are occupied by owners (36%), with 802,713 units occupied by renters (57%) and there are 94,567 vacant housing units (7%).

Racial and Ethnic Characteristics

The table below displays the population mix as reported by the 2010 U.S. Census for the City of Los Angeles.

POPULATION - 2010	
White	1,888,725 (49.8%)
Black or African American	364,092 (9.6%)
American Indian and Alaskan Native	26,548 (0.7%)
Asian	428,566 (11.3%)
Native Hawaiian and Other Pacific Islander	3,793 (0.1%)
Some Other Race	906,436 (23.9%)
Two or More Races	174,461 (4.6%)
TOTAL POPULATION	3,792,621



Source: 2010 U.S. Census

SECTION II: ASSESSMENT OF RELOCATION NEEDS

A. METHODOLOGY

To obtain information for the preparation of this Plan, bilingual staff of Shober Consulting interviewed tenants on site at the project address starting on June 2, 2011. Tenants were interviewed and asked pertinent questions about family size, household income, special needs, etc. All tenants were personally interviewed. Relocation staff also met with the manager for the property, who accompanied relocation staff during interviews.

The purpose of the interviews is to obtain tenant information. Inquiries made of residential occupants includes occupancy status, household size and composition, income and rental information, length and type of occupancy, any disabilities and/or health problems, and preferences related to replacement housing. Relocation staff explained the possible project, and also the uncertainty of the timing of the project.

Survey questions and housing profile information helps determine affordability issues. Ascertaining household income is necessary in order to assess potential relocation assistance benefits, and Section 8 voucher eligibility. Knowledge of employment location and current proximity to needed service providers will enable relocation counselors to assist displacees in identifying appropriate relocation housing.

B. SURVEY RESULTS

1. OCCUPANCY OF RESIDENTIAL UNITS

Records indicate a total of 13 tenants in 4 units. Personal interviews, conducted on-site provided relocation staff with the necessary data to ascertain family demographics. The information allows PATH Ventures to plan the relocation in a realistic time frame within an affordable budget for the displacees. None of the households presently has a Section 8 housing voucher.

Number of People in Households	
1 Person	1 Households
2 People	0 Households
3 People	1 Households
4 People	1 Households
5 People	1 Household

(13 Total Tenants in 4 Units)

2. HOUSEHOLD INCOME

A brief summary shows the different ranges of incomes, either provided by the tenant, or other sources.

MONTHLY INCOME LEVELS	NUMBER OF HOUSEHOLDS
\$1,000 - \$1,500	0
\$1,501 - \$2,000	0
\$2,001 - \$2,500	1
\$2,501 - \$3,000	2
\$3,001 - \$3,500	0
\$3,501 - \$4,000	1
TOTAL HOUSEHOLDS	4

3. REPLACEMENT HOUSING NEEDS and/or ASSESSMENT NEEDS

Each unit must be relocated into dwellings that meet their family size and do not allow overcrowded conditions. Presently, there is overcrowding in none of the 4 units.

HOUSEHOLD CHARACTERISTICS AND NEEDS		
	Units at Present	Future Relocation Units Needed
One-Bedroom	0	0
Two-Bedroom	4	4
Three-Bedroom	0	0

4. ETHNIC MIX

Bilingual relocation consultants have conducted interviews and provided information in both English and Spanish languages. There are three (3) Hispanic households, and one (1) Black household.

5. SENIOR AND DISABLED TENANTS

None of the tenants were identified as 62 years of age or older. There are no tenants with a disability.

6. LOCATIONAL PREFERENCES/NEEDS

Three (3) of the tenants have children and are interested in staying in the immediate school boundary area. No tenants have expressed interest in relocating away from the area. The majority of the tenants are living in Los Angeles for business reasons, and are not likely to leave the general area when relocating. One of the tenants is employed by PATH Ventures, and also acts as the on-site manager of the premises.

Relocation staff will monitor each household's requirements and preferences and will try to accommodate the tenant's wishes when providing referrals for relocation sites. Any selected replacement site will be inspected by local representatives to make it sure it meets the "decent, safe, and sanitary" dwelling requirements.

SECTION III: HOUSING RESOURCES**1. RESIDENTIAL RESOURCES AVAILABLE**

One of the primary purposes of this Plan is to demonstrate the availability of comparable and decent, safe, and sanitary housing prior to the displacement of residential occupants. Naturally the market will change in terms of specific units that will be on the housing market by the time the Plan is approved. We show a recent survey of available units for purposes of reassurance that they exist and are available if needed. Our survey shows that there will be more than adequate choices for tenants in selecting replacement sites. With only four (4) households, there will be no problem finding replacement sites. Relocation staff will work with each tenancy to find suitable and appropriate sized units prior to the time of displacement activities.

To determine the availability of comparable housing prior to the displacement of residential occupants from this project, replacement housing resources will be researched through the following sources:

- a. An on-going survey of classified rental listings of daily and weekly newspapers which serve Los Angeles and the surrounding areas;
- b. Drive-by "windshield surveys" of residential units in the Los Angeles community;
- c. Contact with real estate and property management companies serving the Los Angeles areas;
- d. The use of the Internet and rental listings on websites.

A resource surveys were conducted by Shober Consulting staff from June 2, 2011 to June 11, 2012, to identify available comparable, decent, safe & sanitary units currently available within 5 miles of the Los Angeles site. The tables below show that there is a wide variety of Two-bedroom (66 vacancies) units, as of June 11, 2012, which represents many more available units than the number of potentially displaced tenants:

TWO-BEDROOM APARTMENTS AVAILABLE FOR RENT

Rental Rates	Number of Units Available
\$700 – \$750	0
\$750 – \$800	0
\$801 – \$850	2
\$851 – \$900	2
\$901 - \$950	2
\$951 - \$1,000	7
\$1,001 - \$1,050	4
\$1,051 - \$1,100	20
\$1,101 - \$1,150	5
\$1,151 - \$1,200	24
Total Number of Units	66

For purposes of this project, all four (4) households are presently in two-bedroom units. One tenant lives alone, and may decide to downsize. We have assumed a continued need for a two-bedroom apartment for purposes of the Plan. Obviously, the four (4) tenants are able to find sufficient replacements when 66 two-bedroom units are available within five (5) miles of the project site.

2. SUMMARY

Replacement housing resources show that there are ample places for each displaced tenant to relocate based on size and affordability. At the appropriate time, referrals will be provided to each tenant that most closely approximates his or her needs and preferences. The identified units typically are several hundred dollars more expensive than the units to be vacated.

SECTION IV: THE RELOCATION PROGRAM

The relocation program and assistance will be provided in accordance with the standards and provisions of the State of California Relocation Law, Government Code Section 7260, et. seq., and Title 25, chapter 6, Relocation Assistance and Real Property Acquisition, as amended January 01, 1998, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and the implementing regulations of Handbook 1378 of the Department of Housing and Urban Development (HUD), as appropriate.

A. PROGRAM ASSURANCES, STANDARDS AND OBJECTIVES

The relocation program to be undertaken on behalf of PATH Ventures will conform to the standards and provisions of the State of California Relocation Law, Government Code 7260, et. seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and the implementing regulations of Handbook 1378 of the Department of Housing and Urban Development (HUD).

With these two sets of rules as guideposts, the 5105 West 20th Street Project objectives will be as follows:

1. To fully inform eligible project occupants of the nature of, and procedures for obtaining relocation assistance and benefits.
2. To determine the needs of each residential displacee household eligible for assistance.
3. To provide an adequate number of referrals to nearby comparable, decent, safe and sanitary housing units within a reasonable time prior to displacement and assure that no residential occupant displaced is required to move without a minimum of 90 days written notice to vacate.
4. To provide current and continuously updated information concerning comparable replacement housing opportunities.
5. To provide assistance that does not result in different, or separate treatment due to race, color, religion, national origin, sex, sexual orientation, marital status, or other arbitrary circumstances.
6. To supply information concerning federal and state housing programs and other governmental programs providing assistance to displaced persons.
7. To assist each eligible person to complete claim applications for benefits.
8. To make relocation benefit payments in accordance with State and HUD guidelines, including provisions of the Last Resort Housing sections, where applicable. To

make benefit payments that take into account the RSO relocation guidelines of the City of Los Angeles, as well.

B. RELOCATION ADVISORY ASSISTANCE

As a function of the overall relocation assistance program technical and advisory assistance will be provided by PATH Ventures, through their relocation representative to all displacees. Relocation personnel will be capable of conducting business in either English or Spanish. At present, all tenants speak Spanish and/or English.

The following specific activities will occur or have already occurred in connection with preparation of this Relocation Plan and will occur in its implementation approach:

1. Each household affected by the project has been personally contacted to gather information appropriate to determine needs and preferences with regard to the replacement of existing accommodations. Inquiries made of residential occupants by relocation personnel will cover the following areas: family size, ethnic background, immigration status, age and health considerations, current employment status, family income, transportation needs, and preferences relative to replacement housing.
2. Printed "Residential Information Brochures" have been provided to all displaced persons. A Spanish residential Information Brochure will be provided to those households whose primary language is Spanish. Signed acknowledgements will be obtained to verify receipt of this material. Interviews and all follow-ups will be conducted in Spanish or English according to the needs of the resident household. A copy is attached as Exhibit A.
3. Field surveys were conducted in order to identify available housing resources and, at least one – and preferably three – appropriate replacement housing referrals will be made on a timely basis, to residential displacees. Every effort will be made to find replacement housing units which are reasonably accessible to currently utilized medical facilities, places of employment, schools, shopping areas, and public transportation.
4. The Relocation Consultant has explained the relocation payments and other assistance for which the person may be eligible, including related eligibility requirements and the procedures for obtaining such assistance. The Relocation Consultant described replacement housing recommendations and referrals upon which eligibility for assistance has been determined.
5. Assistance will be provided to complete rental application forms if needed.
6. Transportation will be provided, if necessary, for any displaced occupant to inspect replacement sites within the local area.

7. Assistance will be offered to all displacees in connection with arrangements for the purchase of real property – if an option – and the completion of applications for replacement housing; the filing of claim forms to request relocation benefits from PATH Ventures, and to obtain services from other public agencies.
8. All assistance provided to displacee households will be in the primary language spoken by these households.

C. CONCURRENT RESIDENTIAL DISPLACEMENT

PATH Ventures does not have additional competing projects within five miles of the Project site for similar residential units within the area during the potential period of displacement for this project. If this changes, PATH Ventures pledges that any other project must meet the same replacement options for those affected by that project.

D. CITIZEN PARTICIPATION

PATH Ventures has encouraged public knowledge and citizen participation in this project. PATH Ventures has spoken about this project in their open sessions of PATH Ventures meetings. As the project goes forward, PATH Ventures will welcome and facilitate open discussion and citizen participation.

PATH Ventures will observe its obligations under Section 6012 of the California Administrative Code, Title 25, Chapter 6, to give timely notice to all tenants and to make copies of this Plan available to the public upon request.

E. RELOCATION BENEFITS

Relocation benefits will be provided in accordance with the provisions of the California Relocation Assistance Law, and the federal Uniform Relocation Act. All tenants will be kept apprised of the progress of this Project and all tenants will be given appropriate noticing including a formal 90-day Notice to Vacate.

Benefits will be paid to eligible displaced persons upon submission of required claim forms and documentation in accordance with specified procedures. Specific eligibility requirements and benefit plans will be detailed on an individual basis with all displacees. In the course of personal interviews and follow-up visits, each displacee will be counseled as to available options and the consequences of any choice with respect to financial assistance.

General relocation benefits for residential tenants are summarized in the attached Relocation Benefits Brochure, Exhibit A.

Section 104(d) applicability: While not anticipated at this time, if it is determined that this Project has federal funding and also qualifies under the specific provisos that enact the Section 104(d) relocation benefits, PATH Ventures pledges to provide these generally wider benefits. The main additional benefit is the extending of 42 months rental subsidy into 60 months of subsidy. Several unknown factors must apply for this change to be put into effect and relocation staff will closely monitor the triggering of 104(d) status. PATH Ventures pledges the implementation of such benefits if deemed applicable.

F. TIMING AND PROJECTED DATES OF DISPLACEMENT

This Relocation Plan was submitted to PATH Ventures for review on June 11, 2012. While PATH Ventures has not closed escrow on the property in question, the development team is working diligently to move forward with the Project. After the close of escrow (estimated to be summer 2012), and following the standard thirty-day review period for comments, PATH Ventures will move forward. Assuming a timely closing, the developer will issue a minimum 90-Day Notice to Vacate, sometime in late summer 2012, when escrow closing approaches.

G. ESTIMATED RELOCATION COSTS

PATH Ventures will be using a variety of sources for the funding of this project. PATH Ventures retains their rights to change, augment, or modify the sources of funding for this Project. PATH Ventures pledges that all normal and required relocation expenses will be paid to the displacees in a prompt and timely manner. Relocation costs will include a Fixed Moving Payment (FMP) and a Rental Assistance Payment (RAP) or Down Payment Assistance Payment (DAP) for each of the tenancies who qualify for full benefits. In the event that tenants "opt" for City of Los Angeles' RSO relocation benefit package, there will be one payment based on eligibility requirements for each tenancy.

The federal URA benefit payments or the City of Los Angeles' RSO relocation guidelines will be utilized for the 5105 West 20th Street Project. Income data will be further reviewed and documented when the project accelerates, but for purposes of funding, we have estimated the following Budget Costs for the relocation of the four (4) households:

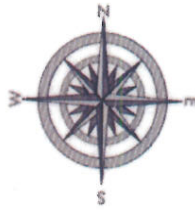
- A. "Worst Case Scenarios" using the City's RSO relocation guidelines would translate into maximum payments of \$18,300 per household. This would total \$73,280.
- B. Using federal guidelines of the URA, we have calculated total benefits for all four (4) tenancies to be \$85,000.

The relocation estimate will be modified as income verification dictates. PATH Ventures asserts that it has the financial assets to provide all tenants with full relocation benefits, and will increase the payments if necessary to maintain compliance with all state and federal relocation guidelines.

SECTION V. SUMMARY

The Relocation Plan clearly shows several facts: there are more than adequate places for these four (4) tenants in appropriately sized replacement units in the Los Angeles community and its immediate neighborhood. PATH Ventures pledges the time, money, and effort to ensure a successful relocation program. PATH Ventures takes seriously its responsibilities to assist each tenant to relocate with a minimum of inconvenience, anxiety, and disruption. The Housing Resource Study shows an ample number of replacement sites that will be utilized to assure an affordable transition. With the additional services pledged by PATH Ventures to each tenant's specific needs, we are confident the relocation program will succeed with a minimum of disruption and anxiety for the tenants.

EXHIBIT A



SHOBER
CONSULTING INC.

520 S. Sepulveda Blvd., Suite 405, Los Angeles, CA 90049
Phone: (310) 476-5433 • Fax: (310) 476-5583

INFORMATIONAL STATEMENT FOR FAMILIES AND INDIVIDUALS

**Please do not move prematurely.
This is not a notice to vacate your dwelling!!**

General Information

The building in which you now live is owned and operated by PATH and PATH Ventures. It is the intention of the owners to sell the property and use the proceeds to expand its mission of affordable housing. You will have to move from the property if this project is approved by the City of Los Angeles and the CRA/LA, a Designated Local Authority.

Please read this information carefully as it will be helpful to you in determining your eligibility and the amount of your relocation benefits under the federal and/or city law. We suggest you save this informational statement for reference.

PATH Ventures has retained the services of Shober Consulting, Inc., a qualified professional relocation firm, to assist you. Shober Consulting, Inc. can be reached at their corporate office at:

Shober Consulting, Inc.
520 S. Sepulveda Blvd., Suite 405, Los Angeles, CA 90049
Phone: 310-476-5433, Fax: 310-476-5583

Spanish speaking representatives are available. Si necesita esta información en Español, por favor llame a su representante.

**All information obtained by your relocation consultant will
be kept confidential.**

Please do not move prematurely. This is not a notice to vacate your dwelling. However, if you desire to move sooner than required, you must contact your representative with Shober Consulting, Inc. so you will not jeopardize any benefits. This is a general information brochure only, and is not intended to give a detailed description of either the law or regulations pertaining to PATH Ventures' relocation assistance program.

Each household will be assisted by relocation staff, if the project moves forward. Tenants are protected by state and federal law. Your relocation consultant will provide a series of services for you, including assisting in finding replacement sites.

For projects like this, which will likely receive federal funding, the tenants are protected by federal law. For federal guidelines, the following benefits may be provided to each household: 1) a Moving Payment to move possessions from the original unit to the replacement unit; and 2) a Rental Assistance Payment (RAP) that would compensate tenants for increased rental costs for 42 months, with several conditions. A RAP payment can also be used for a Downpayment Assistance Payment (DAP), if a tenant qualifies to purchase a replacement site, rather than renting a replacement site.

Exact details will be explained by your relocation consultant.

Certain Relocation Services will be provided by your relocation consultant, including helping you to find an acceptable relocation site; providing referrals of available units; acting as a resource for identifying social service programs you may qualify for as a tenant; assisting in preparing all claims and paperwork; inspecting replacement sites to make sure they are "decent, safe and sanitary", etc.

Qualification for and Filing of Relocation Claims

To qualify for a replacement housing payment, you must rent or purchase and occupy a comparable replacement unit within one year from the later of the following:

- A. For a tenant: the date you move from the displacement dwelling
- B. For an owner-occupant: the date you receive final payment for the displacement dwelling or, in the case of condemnation, the date the full amount of estimated just compensation is deposited in court - OR -
- C. The date PATH Ventures fulfills its obligation to make available comparable replacement dwellings.

All claims for relocation benefits must be filed with PATH Ventures within eighteen (18) months from the date on which you receive final payment for your property or the date on which you move, whichever is later.

Last Resort Housing Assistance

If comparable replacement dwellings are not available when you are required to move or if replacement housing is not available within the monetary limits described above PATH Ventures may provide "last resort" housing assistance to enable you to rent or purchase a replacement dwelling on a timely basis. Last resort housing assistance is based on the individual circumstances of the displaced person. Your relocation representative will explain the process for determining whether or not you qualify for last resort assistance.

If you are a tenant and you choose to purchase rather than rent a comparable replacement dwelling the entire amount of your rental assistance and last resort eligibility must be applied toward the down payment of the home you intend to purchase.

Eviction Notice

Except for causes of eviction set forth below no person lawfully occupying property to be purchased by PATH Ventures will be required to move without having been provided with at least ninety (90) days written notice. Eviction will be undertaken only in the event of one or more of the following infractions:

- A. Failure to pay rent; except in those cases where a failure to pay is due to the lessor's failure to keep the premises in habitable condition, is the result of harassment or retaliatory action, or is the result of discontinuation or substantial interruption of services; performance of dangerous illegal acts in the unit; material breach of the rental agreement and failure to breach within 30 days of notice; maintenance of a nuisance and failure to abate within a reasonable time following notice; refusal to accept one of a reasonable number of offers of replacement dwellings; or
- B. Performance of dangerous illegal acts in the unit;
- C. Material breach of the rental agreement and failure to correct breach within 30 days of notice;
- D. Maintenance of a nuisance and failure to abate within a reasonable time following notice;
- E. Refusal to accept one of a reasonable number of offers of replacement dwellings;
- F. The eviction is required by State or local law and cannot be prevented by reasonable efforts on the part of PATH Ventures.

Appeal Procedures – Grievance

Any person aggrieved by a determination as to eligibility for a relocation payment, or the amount of payment, may have his/her claim reviewed or reconsidered in accordance with PATH Ventures' appeals procedure. Complete details on appeal procedures are available upon request from PATH Ventures.

Tax Status of Relocation Benefits

Relocation benefit programs are not considered to be income for the purposes of the Internal Revenue Code of 1986 or the Personal Income Tax Law, Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code, or the Bank and Corporation Tax Law, Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code.

Additional Information and Assistance Available

Those responsible for providing you with relocation assistance hope to assist you in every way possible to minimize the hardships involved in relocating to a new home. Your cooperation will be helpful and greatly appreciated. If you have any questions at any time during the process please do not hesitate to contact your relocation representative.

OFFICIAL BUSINESS
Document entitled to free
recording per Government
Code Section 6103

Recording Requested by and When
Recorded Return to:

CRA/LA, A Designated Local Authority
1200 W. 7th Street, Suite 201
Los Angeles, California 90017
Attn: Chief Executive Officer

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY
(INCLUDING RENTAL RESTRICTIONS)**

**AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY
(INCLUDING RENTAL RESTRICTIONS)**

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**AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY
(INCLUDING RENTAL RESTRICTIONS)**

THIS AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY (INCLUDING RENTAL RESTRICTIONS) (the "Agreement") is entered into as of _____, 2012, by and between the CRA/LA, A Designated Local Authority, as successor agency to The Community Redevelopment Agency of the City of Los Angeles, California, a public body, corporate and politic ("CRA/LA"), and Chinatown Metro Apartments, L.P., a California limited partnership ("Owner").

RECITALS

A. Owner is the owner of that certain real property (the "Property") located in the City of Los Angeles, County of Los Angeles, State of California, legally described in the "Legal Description" attached hereto and incorporated herein as Attachment No. 1.

B. The Property is within the Chinatown Redevelopment Project Area (the "Project") and is subject to the provisions of the Redevelopment Plan for the Project adopted by the City Council of the City of Los Angeles, as amended.

C. Pursuant to its arrangement with P.A.T.H. (People Assisting the Homeless), a nonprofit corporation ("PATH"), Owner has agreed to enter into this Agreement with the CRA/LA to provide a total of four two-bedroom replacement housing units restricted as two units reserved for persons at low income level and two units reserved for persons at very low income level as described in the recorded Grant Deed, Instrument #89-1646377, dated June 20, 1989, for P.A.T.H.'s project located at 5105 West 20th Street in the City of Los Angeles, which will be sold and destroyed.

NOW, THEREFORE, CRA/LA AND OWNER AGREE AS FOLLOWS:

1. Definitions.

The following terms have the meaning and content set forth in this section wherever used in this Agreement or the attached Attachments:

"Affiliate" shall mean any person directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Owner, which, the term "control", as used in the immediately preceding sentence, means, with respect to a corporation, the right to exercise, directly or indirectly, to approve the controlling percentage of voting board members of the corporation and, with respect to a person that is not a corporation, the possession directly or indirectly, of the power to direct or

cause the direction of the management or policies of the controlled person.

"Affordable Rent" shall have the appropriate meaning set forth in California Health and Safety Code Section 50053(b) as it may be amended from time to time, which, as of the date hereof, means monthly rent, including a reasonable utility allowance, that does not exceed one-twelfth of the product of thirty percent (30%) times fifty percent (50%) of the area median income adjusted for family size appropriate for the unit, as determined by HCD and thirty percent (30%) times eighty percent (80%) of the area median income adjusted for family size appropriate for the unit, as determined by HCD (as more particularly set forth in the CRA/LA Maximum Rents and Occupancy Income Limits for New Projects attached to this Agreement as Attachment No. 2), and which shall be adjusted annually.

"Affordable Unit" shall mean any of the four two-bedroom dwelling units in the Improvements on the Property required by this Agreement to be rented exclusively to and occupied by Eligible Households.

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

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

"CRA/LA" shall mean CRA/LA, A Designated Local Authority, as successor agency to The Community Redevelopment Agency of the City of Los Angeles, California, a public body, corporate and politic.

"Eligible Household" shall mean, as applicable to this Agreement, a household that qualifies as a Very Low Income Household, as described in Section 2.(b), below.

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

"Improvements" shall mean and include all buildings, structures, fixtures, excavation, parking, landscaping, and other improvements of whatsoever character, located on, around, under or over the Property.

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

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

include the rights of the trustee as well as the beneficiary.

"Parties" shall mean the CRA/LA and the Owner, collectively, and "Party" shall mean either the CRA/LA or the Owner.

"Permitted Transfer" means any of the following, provided Owner or a general partner or managing member, as the case may be, of Owner retains day-to-day control over management and operations of the Property and the Improvements:

- a. A conveyance of a security interest in the Site in connection with any loan senior in recording order to this Agreement and any transfer of title by foreclosure, deed or other conveyance in lieu of foreclosure in connection therewith;
- b. A conveyance of the Site by Owner to a limited partnership or limited liability company in which Owner is the managing partner or managing member, as the case may be, and the Tax Credit Equity Investor is a limited partner or member, as the case may be, or to any other affiliate, or a sale back from such affiliate to Owner;
- c. The inclusion of equity participation by Owner by addition of members to Owner's limited liability company, limited partners to Owner's limited partnership, or similar mechanisms;
- d. The sale of non-managing membership or limited partnership interests to any affiliate of the Tax Credit Investor;
- e. The lease for occupancy of all or any part of the Improvements on the Site;
- f. The granting of easements or permits to facilitate the development of the Site in accordance with this Agreement; and
- g. In addition, the withdrawal, removal and/or replacement of any managing member of Owner's limited liability company or general partner of Owner's partnership, as the case may be, pursuant to the terms of the Owner's limited liability company agreement or partnership agreement, as the case may be, shall not constitute a default under this Agreement, provided that any required substitute member or general partner, as the case may be, is reasonably acceptable to CRA/LA and is selected with reasonable promptness.
- h. Any transfer approved in writing by CRA/LA's Chief Executive Officer or designee, at his or her sole discretion; and

- i. The sale or assignment of non-managing membership or limited partnership interests by the Tax Credit Investor solely for reasonable Tax Credit purposes.
- j. The acquisition of the Project or the acquisition of the rights and the interests of the Tax Credit member by one or more of the General Partners pursuant to any purchase option identified in Owner's Amended and Restated Agreement of Limited Partnership.
- k. Transfer by Borrower to a limited liability company or limited partnership established for the purpose of owning, developing and operating the Property, in which Borrower is a general partner or member and the Tax Credit Investor is the investor limited partner or investor member.

"Tax Credit Equity Investor" shall mean any Person who will be an investor member in Owner's limited liability company or partnership, as the case may be, and who will purchase the Low Income Housing Tax Credit and own at least a 99% interest in Owner.

"Tenant" shall mean, at any time of determination thereof, all persons who together occupy a single residential unit in the Project, and upon the occupancy of a unit by any individual in addition to the previous Tenant of such unit, such unit shall be deemed to be occupied by a new Tenant.

"Term of this Agreement" shall mean seven (7) years from the date of this Agreement Containing Covenants.

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

"Verification of Income" shall mean a Verification of Income in the Tenant Certification Form attached to this Agreement as Attachment No. 3, or in such other comparable form which the Owner or its agent may find more convenient and consistent with its administrative procedures as may be approved from time to time by CRA/LA.

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

2. Agreement Regarding Use of Property.

Owner, on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Property or any part thereof, hereby covenants and agrees to use the Property during the Term of this Agreement only for the uses permitted in this Agreement, specifically including the following:

(a) Development and Use. The Property shall be developed and used for multi-family residential rental uses, consisting of dwelling units (the "Units"), with landscaping and related amenities. Four of the two-bedroom Units (the "Affordable Units") shall be rented at an Affordable Rent to Eligible Households (as set forth in paragraph (b) of this Section, below), in accordance with this Agreement. All Affordable Units shall be leased, occupied and not withdrawn from the market. Owner shall not convert the Affordable Units to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Affordable Units during the Term of this Agreement.

(b) Income Restrictions. All of the Affordable Units shall be rented to and occupied exclusively by Eligible Households. For purposes of this Agreement, the income of a household shall be determined at initial occupancy of a Unit by that household. Owner shall determine the income eligibility of each tenant household pursuant to the Property Management Plan attached to this Agreement as Attachment 6. Owner shall certify each tenant household's income on an annual basis. The Affordable Units shall be allocated among income groups as follows:

(i) Two (2) two-bedroom Affordable Units shall at all times during the term of this Agreement be occupied or held vacant and available for rental by Very Low Income Households whose incomes do not exceed 50% of the Area Median Income for the Los Angeles Metropolitan Area as determined by HCD as described in Attachment No. 2. Income determinations shall be made at the time of initial occupancy of a Unit by a tenant.

(ii) Two (2) affordable units shall at all times during the term of this Agreement be occupied or held vacant and available for rental by Low Income Households whose incomes do not exceed 80% of Area Median Income for the Los Angeles Metropolitan Area as determined by HCD, as described in Attachment No. 2. Income determinations shall be made at the time of initial occupancy of a Unit by a tenant.

The Affordable Rent applicable to the Affordable Units by Unit-types shall be as determined by HCD as set forth in the CRA/LA Maximum Rents and Occupancy Income Limits for New Projects attached to this Agreement as Attachment No. 2. The maximum incomes of residential tenants eligible to rent the Affordable Units shall be determined on the basis of the area median income for Los Angeles, determined

annually by the U.S. Department of Housing and Urban Development and published by HCD. Owner shall verify that occupants are within these established income limits. Upon initial lease-up and from time-to-time thereafter, at the request of Owner, CRA/LA shall provide Owner with an updated Attachment No. 2 (Schedule of Maximum Rents and Occupancy Income Limits).

(c) Rent Restrictions. Owner shall not charge rents, including a reasonable utility allowance as determined by the Housing Authority of the City of Los Angeles for the Section 8 Rental Assistance Program, in excess of the respective Affordable Rents, as set forth in Attachment No. 2, adjusted by the percent change in the area median income figure for Los Angeles County, as determined by HCD. Owner may increase rents for the Affordable Units not more than annually, subject to any applicable rent control ordinance then in effect, but in no event shall Owner charge rents in excess of an "Affordable Rent" for the Unit in question. CRA/LA acknowledges that Owner intends to enter into an extended use agreement with the California Tax Credit Allocation Committee ("TCAC"), and per this Agreement, except as permitted under Internal Revenue Code Section 42, for a period of three (3) years following foreclosure, a preexisting low-income tenant cannot be evicted (other than for good cause) nor have their rent increased, except as permitted under Internal Revenue Code Section 42. In addition, CRA/LA acknowledges that the Owner has entered into a Regulatory Agreement with Restore Neighborhoods LA, Inc. dated September 12, 2012 and has the instrument #20111247765.

(d) Priorities. Owner agrees that among Eligible Households who are otherwise eligible to rent the Affordable Units to be developed pursuant to the Agreement, those persons who have been displaced by any redevelopment project within the City of Los Angeles shall be given first priority over other eligible persons. After displacees, occupancy shall be provided as set forth in an affirmative marketing plan ("Affirmative Marketing Plan") required for the Affordable Units which has been finalized by the Owner and is attached as Attachment 4. Owner and CRA/LA shall cooperate to effectuate this subsection 2(d) prior to the initial renting, and upon occurrence of any vacancy and the re-renting of any Affordable Units. Owner shall hold Affordable Units vacant for the relocation of otherwise eligible persons entitled to preference pursuant to this subsection 2(d), upon CRA/LA's request, as long as CRA/LA pays Owner an amount equal to the lost rent less any savings realized by Owner during such holding period. Owner shall accept any CRA/LA displacee or other persons entitled to preference pursuant to this subsection who meets Owner's then current tenant selection criteria. If a person referred to Owner by CRA/LA is rejected for tenancy, Owner shall specify in writing to CRA/LA which of the selection criteria the tenant failed to meet. During the initial lease-up and from time to time thereafter, CRA/LA shall provide to Owner a list of such persons entitled to priority.

(e) Monitoring, Reporting and Enforcement. CRA/LA and its successors and assigns shall have the right to monitor and enforce the covenants contained in this Agreement. Owner hereby represents, warrants and covenants that it shall comply with any monitoring program set up by CRA/LA to enforce said covenants. In complying with such monitoring program, Owner or its agent shall prepare and submit to CRA/LA for each Affordable Unit, annually, not later than fifteen (15) calendar days after the anniversary date of this Agreement, until the end of the Term of this Agreement, an occupancy summary report in such form as may be required by CRA/LA or its successors and assigns, showing the present occupants; rent; unit type; household size; income at the time of initial occupancy; income certification information; move-in date; and, if applicable, move-out date. To the extent not otherwise included in such occupancy summary report, Owner shall also submit the information required by California Health and Safety Code Section 33418, including an occupancy report, financial information and income verification documents for each Tenant of an Affordable Unit, and all supporting documentation.

(i) No Tenant qualifying for an Affordable Unit upon initial occupancy shall be denied continued occupancy of a Unit in the Project because, after admission, such tenant's Annual Income increases to exceed the qualifying limit. However, should a Tenant's Annual Income, as of the most recent determination thereof, exceed the income limit for an Affordable Unit of the same family size, the Tenant may be charged an affordable rent established at a level not to exceed 30% of the annual gross income of the household.

(ii) The Owner shall obtain, complete and maintain on file a certification of income for each Tenant of an Affordable Unit ("Income Certification") including (a) an Income Certification dated immediately prior to the initial occupancy of such Assisted Unit in the Project, and (b) thereafter, an annual Income Certification with respect to each Affordable Unit Tenant, within thirty (30) calendar days before or after the anniversary of such Tenant's initial occupancy of an Affordable Unit in the Project. The Owner shall provide such additional information as may be required from time to time by the State of California, HCD, State law, or other municipal, state, or federal programs as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures or regulations now or hereafter promulgated, proposed or made applicable to the Project. The Owner shall make a good faith effort to verify that the income information provided by an applicant in any Income Certification is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain a pay stub for the most recent pay period, (2) obtain an income tax return transcript for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another

form of independent verification reasonably acceptable.

(iii) The Owner shall prepare and submit to the CRA/LA or its successors or assigns, annually not later than July 15th, beginning after the first anniversary of this Agreement, until the end of the Term of this Agreement, a Certificate of Continuing Program Compliance in the form attached to this Agreement as Attachment No. 8, executed by the Owner. The Owner shall pay to the CRA/LA its annual monitoring fee, if any, for the CRA/LA's administration of these reporting requirements.

(iv) For the Term of this Agreement, all Tenant leases or rental agreements shall be subordinate to this Covenant Agreement. All leases pertaining to Affordable Units shall contain clauses, among others wherein each Tenant who occupies an Affordable Unit: (1) certifies the accuracy of the statements made in the Verification of Income; (2) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such Tenant, that such Tenant shall comply promptly with all requests for information with respect thereto from the Owner, or the CRA/LA, and that the failure to provide accurate information in the Verification of Income or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such Tenant; (3) acknowledges that the Owner has relied on the Verification of Income and supporting information supplied by the Affordable Unit Tenant in determining qualification for occupancy of the Affordable Unit, and that any material misstatement in such certification (whether or not intentional) shall be cause for immediate termination of such lease or rental agreement; and (4) agrees that the Tenant's income is subject to annual certification in accordance with subsection 7.(i) of this Agreement and that if upon any such certification such tenant's annual household income exceeds the applicable income limit under Section 2 of this Agreement, such Tenant may be charged an affordable rent established at a level not to exceed 30% of the annual gross income of the household.

(f) Prohibition against renting to persons with a relationship to Owner. Except for resident managers occupying the manager's Unit, no person having any Ownership or Control of Owner or any of Owner's partners or members, and no officer, employee, agent, official or consultant of Owner or anyone having any Ownership or Control of Owner or any of Owner's partners or members, or any family member of anyone having any Ownership or Control of Owner or any of Owner's partners or members, may occupy any of the Affordable Units.

(g) Inspection of Books and Records and of the Site. Owner shall maintain records which clearly document Owner's performance of its obligations pursuant to this Agreement. Owner shall submit any records to CRA/LA within ten (10) Business Days of written request. Owner shall permit representatives of CRA/LA to enter and inspect the Property upon 24 hours' advance notice to Owner or the

Management Agent, or such other notice as may be required by law. Owner's leases or rental agreements with tenants of the Affordable Units shall also provide for entry into the Affordable Units for periodic health and safety inspections. CRA/LA has the right at all reasonable times, and upon three (3) Business Days' prior notice, to inspect the books and records of the Owner pertaining to the Site and/or Project as pertinent to the purposes of this Agreement and to make such books and records available to other governmental agencies as may be necessary or appropriate for determinations of compliance. Owner shall maintain copies of such books and records in a location that is within fifty (50) miles of the Site. CRA/LA's right to inspect the Owner's books and records shall be limited only to such records as may be necessary to determine Owner's compliance with the terms and conditions of this Agreement.

(h) Maintenance, Operation and Management of Site. Owner shall maintain, operate and manage the Site in accordance with this Agreement for the Term of this Agreement.

3. No Discrimination.

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

(b) Notwithstanding subdivision 3(a), above, with respect to familial status, subdivision (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subdivision (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subdivision (a).

4. Required Nondiscrimination Clauses.

Owner shall refrain from restricting the rental, sale or lease of the Property as provided in Section 3, above. All deeds, leases or contracts for the sale, lease, sublease, or other transfer of the Property entered into after the date on which this Agreement is executed by CRA/LA shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

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

(2) Notwithstanding paragraph (a)(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 (a)(1).

(b) (1) In leases the following language shall appear--"The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sub-lessees, 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 entered into by CRA/LA relating to the sale, transfer, or leasing of land or any interest therein acquired by CRA/LA within any survey area or redevelopment project the foregoing provisions in substantially the forms set forth shall be included and the contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

5. Barriers to the Disabled.

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

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

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

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

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

b. ADA Certification. Owner hereby certifies as follows:

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

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

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

(iv) Owner shall require that the language of this Section 5 be included in the award documents for all sub-awards at all tiers (including subcontracts, and contracts under grants, loans and cooperative agreements) and that all subcontractors shall certify and disclose accordingly.

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

6. Maintenance.

(a) Owner, its successors and assigns, shall maintain the Improvements on the Property (including all buildings, public spaces, walkways, driveways, parking areas and landscaping), in a decent, safe, sanitary and habitable condition and in good repair and working order, which shall be at least the same (or better) aesthetic condition as the condition of the Property at the City issues a Certificate of Occupancy for the Property, reasonable wear and tear excepted. This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and immediate repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the Property, on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order.

(b) From time to time, Owner shall make all necessary and proper

repairs, renewals, and replacements. In the event Owner, its successors or assigns fails to maintain the Improvements in accordance with the standard for the quality of maintenance, CRA/LA or its designee shall have the right but not the obligation to enter the Property upon reasonable notice to Owner, correct any violation, and hold Owner, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property. In addition, Owner shall not commit or permit 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 or services for tenants of the Affordable Units. Owner shall maintain the Property in conformance with all applicable federal, state and local laws, ordinances, codes and regulations, and the Management Plan required by this Agreement.

7. Property Management.

Pursuant to the Regulatory Agreement (Recordation #20111247765) dated September 12, 2012 between Restore Neighborhoods LA, Inc (RNLA) and Chinatown Metro Apartments, L.P., the Owner has submitted and received approval by RNLA of a plan for marketing and managing the Affordable Units (the "Property Management Plan"), as provided in the Property Management Plan attached to this Agreement as Attachment No. 6. Owner, its successors and assigns, shall manage the Affordable Units in accordance with the Property Management Plan attached to this Agreement. The Property Management Plan, including such amendments as may be approved in writing by the CRA/LA Chief Executive Officer or designee, shall remain in effect for the term of this Agreement.

8. Occupancy Standards.

Occupancy of the Affordable Units shall be consistent with the Space and Occupancy Standards set forth in Section 501, et seq. of the Uniform Housing Code. These occupancy standards determine the minimum and maximum number of persons who may reside in an Affordable Unit. Deviations from these standards may be allowed only with the prior written approval of the CRA/LA Chief Executive Officer. Provided that there is no inconsistent federal requirement applicable to the Affordable Units, the maximum and minimum number of persons in a unit shall be as follows (provided, that to the extent the following is inconsistent with any applicable State or Federal standards, the stricter standard, i.e., higher minimum number or lower maximum number, shall apply):

<u>Unit-type</u>	<u>Minimum number</u>	<u>Maximum number</u>
Studio or SRO	1	2
One-bedroom	1	3
Two-bedroom	2	5
Three-bedroom	4	7
Four-bedroom	5	9

9. Covenants Run with the Land; Enforceable by CRA/LA, City and Tenants.

All conditions, covenants and restrictions contained in this 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 any of the Affordable Units;
- d. A former resident of an Affordable Unit;
- e. An Applicant seeking to enforce the covenants or restrictions for a particular Affordable Unit, if the applicant conforms to all of the following:
 - i. is of Low or Moderate Income;
 - ii. is able and willing to occupy that particular Affordable Unit; and
 - iii. Was denied occupancy of that particular Affordable Unit due to an alleged breach of a covenant or restriction set forth in this Agreement; and
- f. A person on an affordable housing waiting list who is of Low or Moderate Income and who is able and willing to occupy an Affordable Unit.

10. Rights of Third Parties.

Except as otherwise expressly provided in Section 9 of this Agreement, this Agreement shall not be deemed to confer any rights upon, nor obligate either of the Parties to this Agreement to any person or entity not a Party to this Agreement, and the Parties explicitly disclaim any intent to create a third party beneficiary relationship with any person or entity as a result of this Agreement.

11. Enforcement Rights.

CRA/LA and those listed in Section 9 shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to

maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

12. Restrictions on Transfer.

Any Transfers shall be subject to the following terms of this Agreement Containing Covenants.

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

b. Owner shall not transfer the Site or any interest therein, without the prior written approval of CRA/LA. Subject to review of documentation effectuating any such proposed assignment or transfer, CRA/LA agrees to reasonably give such approval if the assignment is a Permitted Transfer.

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

d. Any transfer of the Site or assignment or transfer of this Agreement or any interest herein or significant change in ownership of Owner, other than a Permitted Transfer, shall require the prior written approval of CRA/LA. To the extent CRA/LA approval of an assignment or transfer is required by this Agreement, in granting or withholding its approval, CRA/LA shall base its decision upon the relevant experience, financial capability and reputation of the proposed assignee or transferee and the effect, if any, of such proposed transfer on the public purposes of this Agreement. In addition, CRA/LA shall not be required to approve any assignment or transfer of this Agreement or any interest herein or significant change in ownership of Owner that results in payment of consideration to any Person prior to the issuance of the certificate of occupancy by the City and that is not conditioned upon the issuance of the certificate of occupancy by the City.

e. Owner shall promptly notify CRA/LA of any and all changes whatsoever in the identity of the parties in control of Owner or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. Except for Permitted Transfers, this Agreement may be terminated by CRA/LA if there is any significant change (voluntary or involuntary) in membership, management or control, of Owner (other than such changes occasioned by the death or incapacity of any individual). In the event of the death or incapacity of any individual who controls Owner or the managing member or general partner of Owner, any resulting change in the management of the Improvements or the control of the day-to-day operations of the Site and the Improvements shall be subject to the approval of the CRA/LA Chief Executive Officer, which approval shall not be unreasonably withheld, conditioned or delayed.

12.1. Prohibited Transfers.

The limitations on Transfers set forth in Section 12 shall apply from the date of this Agreement until the expiration of the Term of this Agreement. Except as expressly permitted in this Agreement, Owner represents and agrees that Owner has not made or created, and shall not make or create or suffer to be made or created, any Transfer, either voluntarily or by operation of law, without the prior approval of CRA/LA. Any Transfer made in contravention of this Section 12.1 shall be void and shall be deemed to be a default under this Agreement, whether or not Owner knew of or participated in such Transfer.

12.2. Effectuation of Permitted Transfers.

a. No Transfer otherwise authorized or approved pursuant to Section 12 shall be permitted unless, at the time of the Transfer, the person or entity to which such Transfer is made, by an agreement reasonably satisfactory to the CRA/LA and in form recordable in the Office of the Los Angeles County Recorder, expressly agrees to perform and observe, from and after the date of the Transfer, the obligations, terms and conditions of this Agreement Containing Covenants; provided, however, that no such transferee shall be liable for the failure of its predecessor to perform any such obligation. Any proposed transferee for which the CRA/LA's approval is required shall have the relevant experience, financial capability and reputation necessary to fulfill the obligations undertaken in this Agreement by the Owner and otherwise acceptable to CRA/LA. The CRA/LA shall grant or deny approval of a proposed Transfer within sixty (60) days of receipt by the CRA/LA of the Owner's request for approval of a Transfer, which request shall include evidence of the proposed transferee's business expertise and financial capacity. Failure by the CRA/LA to approve or disapprove the proposed Transfer within sixty (60) days after receipt of the Owner's written request shall be deemed to be approval of the proposed Transfer by the CRA/LA if the request for a Transfer includes the fee/deposit required by Section 12.2.c. and the following warning

printed in bold type not smaller than 12 point:

NOTICE IS HEREBY GIVEN THAT FAILURE TO APPROVE THE REQUESTED MATTER WITHIN 60 DAYS SHALL BE DEEMED AN APPROVAL PURSUANT TO SECTION 12.2 OF THE AGREEMENT CONTAINING COVENANTS BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES AND CHINATOWN METRO APARTMENTS, L.P.

b. Any assignment of rights and/or delegation of obligations under this Agreement in connection with a Transfer (whether or not CRA/LA approval is required) shall be in writing executed by Owner and the assignee or transferee, which written agreement shall name the CRA/LA as an express third party beneficiary with respect to such agreement (the "Assumption Agreement") with a copy thereof delivered to the CRA/LA within ten (10) days after the effective date thereof. Upon assignment or transfer of this Agreement pursuant to an Assumption Agreement, the assignor shall be relieved of liability with respect to any such obligations relating to the Project assumed by the assignee. Notwithstanding the foregoing, unless such assignee specifically assumes pursuant to the Assumption Agreement the obligations under this Agreement to indemnify CRA/LA with respect to the Project, the assignor shall retain such obligations and remain jointly and severally liable for such indemnity obligations with such assignee.

c. Owner shall reimburse the CRA/LA for all actual staff time and consultant (legal and financial) costs associated with the CRA/LA's review and consideration of any request for approval of a Transfer other than a Permitted Transfer. CRA/LA shall not be obligated to act on any request for approval of a Transfer unless Owner shall deposit with CRA/LA the sum of Ten Thousand Dollars (\$10,000), which amount shall be subject to adjustment equal to the cumulative annual increase, if any, in the Consumer Price Index since 2012, together with its request for approval of a Transfer. If the costs of CRA/LA review are less than the amount deposited, the excess deposit shall be returned to Owner. If the costs of CRA/LA review exceed the deposit amount, the CRA/LA shall send the Owner a bill for the costs and Owner shall promptly pay the CRA/LA the additional costs. . Notwithstanding the foregoing, the Owner shall have no obligation to deposit a Transfer Deposit or to reimburse CRA/LA for staff time, consultant (legal or financial) costs in connection with assignment of all right, title and interest in the Site or this Agreement to a limited partnership in which Meta Housing Corporation, or a limited liability company in which Meta Housing Corporation is the sole member, is a general partner

13. Rights of Lenders; Subordination.

No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Agreement shall defeat or render invalid or in any way impair the lien or charge of any deed of trust or other encumbrance on the Property approved by the CRA/LA Chief Executive Officer or his or her designee in writing. . Prior to the recordation of the deed of trust after the date hereof and securing any loan to which this Agreement is to be subordinated, the Chief Executive Officer of the CRA/LA or designee shall execute such instruments as may be necessary to subordinate this Agreement and the covenants contained herein to the lien of the beneficiary of such deed of trust. Anyone to whose lien this Agreement is subordinate, who acquires title to the Property by foreclosure, deed in lieu of foreclosure, trustee's sale or similar transfer of title, and the assignees and transferees of such holder, shall not be subject to or bound by the requirements of this Agreement.

14. Term of this Agreement.

Every covenant and condition and restriction contained in this Agreement shall remain in effect for the longest feasible time, but not less than seven (7) years from following date (the "Term of this Agreement"): the date of this Agreement Containing Covenants; Provided, however, that the Term of this Agreement shall be extended automatically for a period of time equal to any period of documented and continuous noncompliance with the terms of this Agreement by Owner following notice as provided in Section 15 hereof.

15. Notice and Opportunity to Cure.

Prior to exercising any remedies hereunder, CRA/LA shall give Owner notice of such default. CRA/LA shall also give simultaneous notice of default to the Tax Credit Equity Investor (if any at that time) and any person or entity having a security interest in the Property secured by a lien that is superior to this Agreement. If the default is reasonably capable of being cured within thirty (30) days, Owner shall have such period to effect a cure prior to exercise of remedies by CRA/LA. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Owner (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Owner shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by CRA/LA. If Owner fails to take corrective action or to cure the default within a reasonable time, CRA/LA shall give Owner and each of the limited partners of Owner's partnership written notice thereof, whereupon the limited partner may remove and replace the general partner(s) with a substitute general partner(s) who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. In no event shall CRA/LA be precluded from exercising remedies if CRA/LA's interest in the Property becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given.

16. Remedies.

If a violation of any of the covenants or provisions of this Agreement remains uncured after the time period set forth in Section 15, above, CRA/LA and its successors and assigns, without regard to whether CRA/LA or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by Owner of its obligations hereunder. In addition, a material breach of this Agreement that remains uncured following the required notice period shall subject Owner to debarment and disqualification from any further CRA/LA financial assistance. CRA/LA may report any such material breach of this Agreement that remains uncured following the required notice period to the City of Los Angeles, State of California and/or the U.S. Department of Housing and Urban Development. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

17. Non-Liability of Officials, Employees and Agents.

The CRA/LA's governing board members, officers, employees and agents shall not be personally liable to Owner or any other person for any obligation created under the terms of this Agreement.

18. Indemnity.

Notwithstanding any insurance coverage, Owner shall indemnify, defend and hold CRA/LA and its governing board members, officers, employees and agents (the "Indemnitees") harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs and legal or other expenses (including reasonable attorneys' fees and costs) which the Indemnitees may incur as a direct or indirect result of (a) Owner's failure to perform any obligations as and when required by this Agreement; (b) any failure of any of Owner's representations or warranties to be true or complete; or (c) any act or omission by Owner or any contractor, subcontractor, Management Agent or supplier with respect to the Property or the Affordable Units, except where such losses are caused by the negligence or willful misconduct of the Indemnitees. Owner shall pay immediately upon demand, any amounts owing under this Indemnity. The duty of 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 this Agreement. The Indemnitees may make all reasonable decisions with respect to its/their representation in any legal proceeding, including but not limited to selection of counsel. Owner's duty to indemnify shall survive the expiration of the term of this Agreement.

19. Approvals.

(a) Except as otherwise expressly provided in this Agreement, approvals required of CRA/LA or Owner in this Agreement shall not be unreasonably withheld or delayed. All approvals shall be in writing. Failure by either Party to approve a matter within the time provided for approval of the matter shall not be deemed a disapproval, and failure by either Party to disapprove a matter within the time provided for approval of the matter shall not be deemed an approval.

(b) Whenever this 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 governing board. The CRA/LA hereby authorizes the CRA/LA's Chief Executive Officer to deliver such approvals or consents as are required by this Agreement, or to waive requirements under this Agreement, on behalf of the CRA/LA. The CRA/LA Chief Executive Officer or designee is further authorized to make such modifications to this Agreement as may be necessary or appropriate, so long as such modification does not adversely affect the receipt of any material benefit by CRA/LA pursuant to this Agreement. Any other amendment or material modification to this Agreement shall require approval by the CRA/LA governing board.

20. Construction and Interpretation of Agreement.

(a) The language in all parts of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any Party. The parties hereto acknowledge and agree that this Agreement has been prepared jointly by the parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each Party has been given the opportunity to independently review this Agreement with legal counsel, and that each Party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not be interpreted or construed against the Party preparing it, and instead other rules of interpretation and construction shall be utilized.

(b) If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any Party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as a part of this Agreement an enforceable clause or provision as similar in terms to such illegal,

invalid, or unenforceable clause or provision as may be possible.

(c) Any titles of the articles, sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of its provision.

(d) References in this instrument to this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto or other documents expressly incorporated by reference in this instrument. All of the Attachments appended to this Agreement are hereby incorporated herein by this reference as though fully set forth herein. Any references to any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or "pursuant hereto" (or language of like import) shall mean, refer to, and include the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, Attachments, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

(e) As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

(f) Time is of the essence in this Agreement.

21. Relationship of the Parties.

Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, or any other similar relationship between the parties hereto or cause CRA/LA to be responsible in any way for the debts or obligations of Owner or any other person.

22. Compliance with Law.

This Agreement shall be interpreted under and be governed by the laws of the State of California. Owner agrees to comply with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the development and use of the Property and the Improvements, as well as operations conducted thereon. The judgment of any court of competent jurisdiction, or the admission of Owner or any lessee or permittee in any action or proceeding against them, or any of them, whether CRA/LA be a party thereto or not, that Owner, lessee or permittee has violated any such ordinance or statute in the development and use of the Property shall be conclusive of that fact as between CRA/LA and Owner.

23. Binding Effect.

This Agreement, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

24. Notices.

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

CRA/LA:	CRA/LA 1200 W. 7 th Street, 2 nd Floor Los Angeles, CA 90017 Attn: Chief Executive Officer
with copies to:	CRA/LA 1200 W. 7 th Street, 2 nd Floor Los Angeles, CA 90017 Attn: CRA/LA General Counsel
Owner:	Chinatown Metro Apartments, L.P. c/o Meta Housing Corporation 1640 South Sepulveda Boulevard Suite 425 Los Angeles, CA 90025
With copies to:	Bocarsley Emden

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 24. Delivery shall be deemed to have occurred at the time indicated on the receipt for delivery or refusal of delivery.

25. Counterparts.

This Agreement may be executed in counterparts, each of which shall be an original

and all of which shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original Agreement.

SIGNATURES APPEAR ON NEXT PAGE

IN WITNESS WHEREOF, the CRA/LA and the Owner have signed this Agreement as of the date set forth in the first paragraph, above.
CRA/LA:

CRA/LA, A DESIGNATED LOCAL AUTHORITY, a public body formed under Health & Safety Code Section 34173(d)(3), as successor to the Community Redevelopment Agency of the City of Los Angeles

By: _____
Christine Essel
Chief Executive Officer

APPROVED AS TO FORM:

GOLDFARB & LIPMAN LLP

By: _____
Thomas Webber
CRA/LA Special Counsel

Chinatown Metro Apartments, L.P., a California limited partnership

By: _____
WCH AFFORDABLE V, LLC, a California limited liability company

Its: Managing General Partner

By: _____
Name: Graham Espley-Jones
Title: President

Attachment B

Western Community Housing, Inc., a
California nonprofit public benefit
corporation

Its: Sole Member and Manager

By: _____
Name: Leanne Truofreh
Title: Vice President and Secretary

Western Community Housing, Inc., a
California nonprofit public benefit
corporation

By: **CHINATOWN METRO APARTMENTS,
LLC, a California limited liability
company**

Its: Administrative General Partner

By: _____
Name: John Huskey
Title: Managing Member and President

By: _____
Name: Kasey M. Burke
Title: Vice President

SIGNATURES MUST BE NOTARIZED

ATTACHMENT NO. 1

LEGAL DESCRIPTION

All the certain real property located in the County of Los Angeles, State of California, described as follows:

LOTS 10 TO 16 INCLUSIVE OF A TRACT OF LAND AT THE JUNCTION OF MAIN AND ALAMEDA STREETS, LOS ANGELES CITY, PROPERTY OF MOONEY AND MEYER, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 3 PAGES(S) 428, OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT TO THE COUNTY OF LOS ANGELES, ALL OIL, GAS, HYDROCARBONS OR OTHER MINERALS IN AND UNDER THE ABOVE DESCRIBED PARCEL OF LAND, WITHOUT THE RIGHT OF SURFACE ENTRY FOR DEVELOPMENT THEREOF, AS PROVIDED IN QUITCLAIM DEED RECORDED FEBRUARY 29, 1980 AS INSTRUMENT NO. 80-208811 OF OFFICIAL RECORDS.

APN: 5408-029-005

ATTACHMENT NO. 2

**CRA/LA MAXIMUM RENTS AND OCCUPANCY
INCOME LIMITS FOR NEW PROJECTS**

[BEHIND THIS PAGE]

ATTACHMENT NO. 3
TENANT CERTIFICATION FORM

[BEHIND THIS PAGE]

ATTACHMENT NO. 4
AFFIRMATIVE MARKETING PLAN

[BEHIND THIS PAGE]

ATTACHMENT NO. 6
PROPERTY MANAGEMENT PLAN
[BEHIND THIS PAGE]

ATTACHMENT NO. 7

**MANDATORY ADDENDUM TO LEASE OR RENTAL AGREEMENT
FOR RESTRICTED UNITS**

[BEHIND THIS PAGE]

ATTACHMENT NO. 8

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

[BEHIND THIS PAGE]

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