

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (the "Agreement") is made and entered into as of September 18, 2017 (the "Effective Date") by and between PHR LA Mart LLC, a California limited liability company (the "Developer") on the one hand and SAJE, a California nonprofit corporation ("SAJE") on the other hand (collectively, the "Parties").

RECITALS

A. **WHEREAS**, the Developer intends to construct a development project known as the Reef Project (the "Project") at 1900 South Broadway, Los Angeles, California 90007, which consists of two full city blocks comprising approximately 9.7 acres bounded by Washington Boulevard on the north, Hill Street to the west, 21st Street to the south, and Main Street to the east owned by the Developer (the "Project Site").

B. **WHEREAS**, the Project, as proposed, is a mixed-use development project consisting of modifications to the existing Reef building and the construction of up to approximately 1,664,000 square feet of new development on the remainder of the Project Site, which could include residential, hotel, retail/restaurant, grocery store, gallery, fitness center and/or community uses that would be accommodated in multiple-single and multi-story buildings along with public open spaces.

C. **WHEREAS**, on or about May 19, 2014, Developer submitted an application to the City of Los Angeles (the "City") for various approvals to develop the Project including, without limitation, a General Plan Amendment, Zone Change, Zone Variances, Signage Supplemental Use District, Site Plan Review, Conditional Use Permits, Vesting Tentative Tract Map, Reef Transit Oriented Sign District, and a Development Agreement that were assigned Case Nos. CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-ZV-SPR-MS, CTT-72914, VTT-72914-1A, and CPC-2014-1772-DA (collectively referred to herein as the "Project Approvals") and filed an environmental impact report for the Project which was assigned Case Nos. ENV-2014-1773-EIR, SCH No. 2014071054.

D. **WHEREAS**, on or about July 16, 2014, the City circulated a Notice of Preparation of an environmental impact report for the Project.

E. **WHEREAS**, on or about September 17, 2015, the City released the Project's Draft Environmental Impact Report (the "DEIR") and circulated a Notice of Completion and Availability for the DEIR to State, regional and local agencies, interested parties, and to owners and occupants within 1,000 feet of the Project Site.

F. **WHEREAS**, between September 17, 2015 to November 2, 2015, the City conducted a 47-day public review period on the DEIR.

G. **WHEREAS**, on or about June 10, 2016, the City published a Final Environmental Impact Report (the "FEIR") for the Project and circulated a Notice of Completion

and Availability for the FEIR to State, regional and local agencies, interested parties, and to owners and occupants within 1,000 feet of the Project Site.

H. **WHEREAS**, on or about July 6, 2016, the City's Advisory Agency certified the FEIR for the Project, approved the Project and submitted the Project to the City Planning Commission.

I. **WHEREAS**, on or about August 11, 2016, the City Planning Commission adopted the Project Approvals for the Project and denied in part and granted in part an appeal filed by SAJE against the Project.

J. **WHEREAS**, on or about September 19, 2016, SAJE filed an appeal with the City Council of Los Angeles ("City Council") challenging the Project Approvals.

K. **WHEREAS**, on or about November 1, 2016, the City Council's Planning and Land Use Management Committee, heard SAJE's appeal and issued a recommendation to the City Council to grant in part and deny in part the Appeal and recommended approving the Project with revised environmental findings.

L. **WHEREAS**, on November 22, 2016, the City Council approved the Project Approvals and certified the Environmental Impact Report for the Project as Case Nos. CF16-1058, 16-1058-S2, 16-1058-S3, CPC-2014-1772-DA, CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-SPR-MSC, VTT-72914 and ENV-2014-1774-EIR, and thereby denied the appeal filed by SAJE.

M. **WHEREAS**, on December 23, 2016, SAJE filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief, Los Angeles Superior Court Case No. BS166738 (the "Petition"), seeking, among other things, (i) a writ of mandate commanding the City to vacate and withdraw the Project Approvals; (ii) an injunction enjoining the City and the Developer from taking any action to implement the Project; and (iii) a declaration that the City violated the California Environmental Quality Act, *Public Resources Code*, § 21000 *et. seq.*

N. **WHEREAS**, on February 13, 2017, the City and the Developer executed a Development Agreement for the Project ("Development Agreement"). References to "Development Agreement" in this Agreement refer to the Development Agreement as executed on that date.

O. **WHEREAS**, the Parties desire to resolve fully and finally any and all disputes and claims which have arisen or may arise relating to the Project Approvals and development of the Project and to formally document their settlement and release which terminates any and all disputes that have been or could have been alleged in the Petition or other action against the Project, without either Party admitting or denying liability.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and in order to resolve all disputes between the Parties to this Agreement, and for good cause and other valuable consideration, receipt of which is hereby acknowledged, it is agreed as follows:

AGREEMENT

1. **Incorporation of Recitals.** The foregoing recitals to this Agreement are incorporated herein and have the same force and effect as if set forth fully in the body of this Agreement.

2. **On-Site Affordable Housing.**

(a) **Number of Units.** Developer agrees to reserve five percent (5%) of the total number of residential dwelling units permitted by any building permit for the Project as residential rental apartment units for Very-Low Income Households, defined as families earning no more than fifty percent (50%) of the Area Median Income, as determined annually by the City of Los Angeles Housing and Community Investment Department, or successor City entity ("HCID"). Each such unit shall be referred to herein as an "Affordable Housing Unit." For clarity purposes, the number of Affordable Housing Units required by this subparagraph (a) is inclusive of any Affordable Housing Units required by the Development Agreement or any other approval or agreement relating to the Project. This Agreement does not require the Developer to reserve more than five percent (5%) of the total number of residential dwelling units at the Project for Affordable Housing Units.

Notwithstanding the foregoing, the Developer shall have sole authority to defer its obligation to reserve Affordable Housing Units in the West Lot of the Project to the East Lot of the Project; provided, however, that if the Developer does not request a building permit for residential dwelling units on the East Lot of the Project within five (5) years of obtaining a Certificate of Occupancy for residential dwelling units on the West Lot of the Project, then within twelve (12) months the Developer shall either (i) make the required number of Affordable Housing Units on the West Lot of the Project available to the public, or (ii) pay SAJE five hundred thousand dollars (\$500,000) for each Affordable Housing Unit that the Developer would have been required to provide on the West Lot of the Project. No more than ten (10) Affordable Housing Units may be deferred by Developer pursuant to this subparagraph (b). For clarity and example purposes, under this subparagraph (b), if the Developer is required to reserve five (5) Affordable Housing Units as part of its development of the West Lot of the Project, the Developer shall have sole authority and discretion to defer that obligation and add those five (5) Affordable Housing Units to the Affordable Housing Units that the Developer reserves for the East Lot of the Project. For purposes of this subparagraph (b), "West Lot" and "East Lot" shall have the definitions set forth in the Development Agreement. Sums required to be paid pursuant to this paragraph would not constitute liquidated damages assessments, but rather would be provided to SAJE in lieu of the delivery of Affordable Housing Units as contemplated in this Agreement.

(b) **Covenant Agreement.** Prior to obtaining a building permit for any phase of this Project, Developer and SAJE shall jointly advocate with the City for HCID to (i) execute a covenant agreement with Developer related to construction and lease of Affordable Housing Units in that phase pursuant to this Agreement; and (ii) assist in monitoring and implementation of Developer's affordable housing commitments described herein, under similar terms as HCID utilizes for monitoring and implementation of affordable housing commitments required by the

City. Such covenant agreement shall run with the Project Site, with a term of fifty-five (55) years, and shall include standard affordable housing terms used by HCID (including, if required by HCID, standard fees associated with HCID monitoring services), except where such standard terms are in conflict with this Agreement. For example purposes, a sample HCID covenant agreement is attached as Exhibit D to this Agreement. The Developer shall record each covenant agreement executed under this subparagraph (b). If HCID refuses to execute a covenant agreement as described in this subparagraph (b) for any phase of the Project, then, prior to the Developer obtaining a building permit for such phase, Developer and SAJE shall execute, and Developer shall record, a covenant agreement running with the Project Site for such phase, with a term of fifty-five (55) years. Such covenant agreement shall bind the Developer and subsequent property owners to reserve Affordable Housing Units as described in this Agreement, and shall otherwise contain the terms set forth in standard HCID covenant agreements for affordable housing units, but with references to SAJE, rather than HCID.

(c) **Consistency of Units.** Affordable Housing Units shall meet the design standards set forth in Section VII of the Affordable Housing Incentives Guidelines (attached as Exhibit B to this Agreement). For clarity purposes, the minimum square footage of the Affordable Housing Units required by this Agreement for any building shall be the same as the minimum square footage of the affordable units of the same bedroom size in that building required by HCID pursuant to the Development Agreement. Developer shall construct all Affordable Housing Units in buildings that include both Affordable Housing Units and market rate units. Except as provided above, the Developer shall have sole authority and discretion to choose the design and location(s) within the Project Site for the Affordable Housing Units.

(d) **Student Applicants.** Students that are claimed as a dependent on their parent's federal income tax return or whose parent(s) or guardian(s) are guarantors on the rental/lease agreement must include parent/guardian household income information on the tenant income survey to determine eligibility to rent an Affordable Housing Unit pursuant to this Agreement.

(e) **Contingent Obligation.** Developer's obligation under this Agreement to construct and lease Affordable Housing Units shall arise if, and only if, the Developer (i) obtains a building permit that authorizes the construction of residential dwelling units within the Project and (ii) actually commences construction of residential dwelling units within the Project.

3. **Enforceability of Agreement.** Concurrently with execution of this Agreement the Parties agree to execute and file a joint stipulation requesting that the court retain jurisdiction over the parties for a period of five (5) years to enforce this settlement. If the court declines to grant this joint request, or terminates such jurisdiction for any reason (including expiration of the five-year period), then this Agreement may be enforced by initiating an action in a court of competent jurisdiction.

4. **Dismissal of the Petition** Attached as Exhibit A to this Agreement is a copy of a Request for Dismissal with Prejudice of the Petition ("**Request for Dismissal**"). Concurrently with execution of this Agreement, SAJE shall execute the Request for Dismissal. After receiving

the Request for Dismissal from SAJE, the Developer shall cause it to be filed in Los Angeles Superior Court no earlier than September 20, 2017.

5. **Release of Claims.**

(a) Except for the obligations and claims expressly set forth in this Agreement, and in consideration of the mutual compromises and other agreements set forth herein, SAJE and its respective representatives, directors, officers, agents, members, employees, predecessors, successors, assigns, administrators, beneficiaries, related entities or affiliates, attorneys in fact, and anyone claiming an interest through or under them, and each of them (to the extent they are acting on behalf of SAJE), hereby release and forever discharge the City and the Developer, and all of their present and former parent companies, holding companies, subsidiaries, predecessors, successors, members, directors, officers, principals, shareholders, representatives, agents and employees and each of them, and any other person or entity allegedly liable, of and from any and all claims, actions, suits, causes of action, accounts, covenants, contracts, controversies, agreements, promises, executions, debts, damages, rights, obligations, liabilities and controversies, judgments, and demands of whatever kind or nature or description, in law or in equity, whether known or unknown, mature or contingent that SAJE ever had, now have, or may have, that either result from, arise out of, or are directly or indirectly connected with (a) any acts, omissions, events, matters, disputes or things raised or described or alleged in the Petition and other correspondence prepared and transmitted by SAJE in connection with the Petition; and (b) any acts, omissions, events, matters, disputes, or things relating to or connected with the Project Approvals (collectively, the “Released Claims”). Without limiting the foregoing in any way, this release includes, without limitation, (i) any Released Claims or objections relating to the City Council’s approval of the Project Approvals, (ii) any Released Claims or objections to permits or approvals (whether pending or not) for the Project including, without limitation, any existing or future building and use permits or approvals relating to the Reef Transit Oriented Sign District (Council File No. 16-1058-S2) or other sign district(s) specific to the Project, and (iii) any Released Claims or objections to approvals associated with the Land Use Equivalency Program and Design Guidelines set forth in Section 1.24 of the Development Agreement. Claims to enforce this Agreement do not constitute Released Claims. Released Claims do not include challenges to governmental laws or policies that apply generally to multiple properties or developments.

(b) The release contained in this Agreement is a general release. SAJE acknowledges that it has read and understood this Agreement, and hereby expressly and knowingly WAIVES its rights under Section 1542 of the California Civil Code. SAJE expressly acknowledges and understands that California Civil Code Section 1542 provides as follows:

“[A] GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”

SAJE specifically represents that it has read and understands the effect and import of this provision, and that it has been represented and advised by its attorney concerning this provision.

SAJE HAS READ AND UNDERSTOOD THE FOREGOING AND INDICATES THAT FACT BY PLACING ITS INITIALS, OR THE INITIALS OF AN AUTHORIZED AGENT, BELOW:

CMS.
SAJE

(c) In making this voluntary express waiver of the protections of California Civil Code Section 1542, and except as to the rights, obligations, or claims that are created by this Agreement, SAJE acknowledges that it may discover claims or facts in addition to or different from those which it knows or believes to exist with respect to the matters mentioned herein. It is SAJE's intention to fully and forever settle and release any and all of such matters, claims and disputes, whether known or unknown, suspected or unsuspected, anticipated or unanticipated, with regard to the Project Approvals and the Project. This release is, and shall remain, a full and complete general release notwithstanding the discovery or existence of any such additional or different claims, except as specifically provided in this Agreement.

(d) In addition to specifically WAIVING any rights it may have under California Civil Code Section 1542, SAJE specifically WAIVES the provisions of all comparable, equivalent or similar statutes and principles of common law of California and of any other jurisdiction or federal law with respect to the claims released under this Agreement and acknowledges and agrees that these waivers are essential and material terms of this Agreement, without which the consideration given by the Developer would not have been given.

(e) SAJE agrees and warrants that it shall not bring, commence, institute, maintain or prosecute or allow any person, entity or organization to bring, commence, institute, maintain or prosecute in its name, any action at law or in equity, or any legal proceeding, administrative action or arbitration whatsoever, in any jurisdiction, based in whole or in part upon a Released Claim. SAJE understands and agrees that this Agreement may be pled as a full and complete defense to, and may be used as a basis for injunctive relief against, any action, suit, arbitration or other proceeding which may be instituted, prosecuted or attempted in breach of this Agreement.

(f) If SAJE or any person acting on behalf of SAJE asserts a Released Claim against the Developer, the City, or the Project, then SAJE shall pay the Developer fifty thousand dollars (\$50,000) as liquidated damages. If SAJE or any person acting on behalf of SAJE otherwise breaches this agreement, then SAJE shall pay the Developer ten thousand dollars (\$10,000) per breach occurrence, as liquidated damages. The Parties hereby expressly agree that such liquidated damages amounts bear a reasonable relationship to the actual damages that the Developer would suffer from such breaches of this Agreement.

6. **Changes in Project Plans.** This Agreement shall be enforceable against the Parties even if changes are made to the Project, except that SAJE shall have the option of terminating this Agreement if Developer proposes changes to the Project:

- (a) that would require a new Environmental Impact Report;
- (b) that would exceed the parameters set forth in the Land Use Equivalency Program, as described in the Development Agreement; or
- (c) under which the Project would be constructed to at least 80% of the square footage as reflected in the Development Agreement as of the Effective Date, but without the inclusion of at least 20% of the residential dwelling units described in Exhibit C of the Development Agreement.

If SAJE chooses to execute this option, then SAJE shall make such election within thirty (30) days of request by the Developer.

7. **Non-Assistance.** In consideration of the mutual compromises, payments and other agreements set forth herein, SAJE and its respective representatives, directors, officers, agents, members, employees, predecessors, successors, assigns, administrators, beneficiaries, related entities or affiliates, attorneys-in-fact and anyone claiming an interest through or under them, and each of them (to the extent they are acting on behalf of SAJE), further agree not to, directly or indirectly, (i) fund, aid, assist or otherwise encourage any other person to bring, any Released Claims, whether in the courts or before any local, state or federal agency or body including, without limitation, (a) Released Claims or objections relating to the Project Approvals, (b) any Released Claims or objections to permits or approvals (whether pending or not) for the Project including, without limitation, any existing or future building and use permits or approvals relating to the Reef Transit Oriented Sign District (Council File No. 16-1058 S2) or other sign district(s) relating to the Project, and (c) any Released Claims or objections to approvals associated with the Land Use Equivalency Program and Design Guidelines set forth in Section 1.24 of the Development Agreement; or (ii) join, control, or participate in, any activity that directly or indirectly interfere with construction of the Project. SAJE acknowledges and agrees that this paragraph 7 is a material term of this Agreement, without which the consideration given by the Developer would not have been given. Prohibited activities under this paragraph (7) do not include opposition to governmental laws or policies that apply generally to multiple properties or developments.

8. **No Disparagement.** SAJE agrees not to make any written or oral public statement opposing the Project or Project Approvals, requesting additional affordable housing commitments regarding the Project. To the extent that any individual or entity affiliated with SAJE makes any statement that conflicts with SAJE's obligation under this paragraph 8, SAJE shall promptly and publicly correct or retract such statement.

9. **Third Party Beneficiaries.** This Agreement is intended to confer rights on the Parties and is intended to waive and release all potential claims which may be alleged in a lawsuit or other action against the Developer or the City for the approval and subsequent

construction of the Project. This Agreement is not intended to and does not create third party beneficiary rights in favor of any other persons with respect to any such claims.

10. **No Admission.** It is understood and agreed to by the Parties that nothing contained in this Agreement shall be construed as evidence or an admission of any alleged wrongdoing or liability by any Party to this Agreement.

11. **Attorneys' Fees and Costs.** Each Party agrees and acknowledges that they shall bear their own attorneys' fees and costs in connection with this Agreement and the Petition, except as set forth in paragraph 24.

12. **Authority to Execute This Agreement.** Each Party represents and warrants that it has the authority to execute this Agreement.

13. **No Prior Transfer of Released Items.** SAJE represents and warrants that it has not heretofore sold, assigned, transferred, conveyed or otherwise disposed of, including by way of subrogation, any of the charges, Claims, complaints, actions, causes of action, liabilities, obligations, promises, benefits, agreements, controversies, rights, damages, debts, costs, losses of services, attorneys' fees, expenses, costs and compensation of any nature whatsoever released in this Agreement.

14. **Implementation Through Relevant Contracts.** Where obligations under this Agreement are to be performed by entities that are not parties to this Agreement, Developer shall make reasonable efforts to ensure that relevant contracts: (i) impose such obligations on such entities; (ii) require such entities to impose such obligations on subcontractors or other parties involved in the Project through the contract in question; (iii) require all entities with such obligations to provide to Developer upon request, any information reasonably necessary to determine compliance with such obligations. Developer warrants and represents that as of the Effective Date, it has executed no contract pertaining to the Project that would have violated this Agreement had it been executed after the Effective Date.

15. **HCID Monitoring.** Developer shall provide to HCID information that HCID deems necessary to determine compliance with the Affordable Housing Unit obligations under this Agreement. Pursuant to written request by SAJE, Developer shall provide to SAJE reasonable information describing the Affordable Housing Units and market rate units being developed within the Project.

16. **Representation.** Each Party represents and warrants that, in entering into this Agreement, it has relied upon the advice of its own attorneys and/or other representatives, that the terms of this Agreement have been read completely and explained to it by its attorneys and/or other representatives and that the terms of this Agreement are fully understood and voluntarily accepted by it. Each Party further acknowledges that: (1) no representation or promise not expressly contained in this Agreement has been made by any Party to any other Party or to their agents, participants, employees, representatives or attorneys, and (2) this Agreement has not been entered into on the basis of any such promise or representation, express or implied, other than as set forth in this Agreement.

17. **Governing Law And Jurisdiction.** This Agreement shall be governed by the laws of the State of California without regard to the principles of choice of law or conflicts of law of that state or of any other jurisdiction. The forum for resolution of any dispute arising out of this Agreement shall be in the County of Los Angeles, California.

18. **Entire Agreement.** This Agreement sets forth the entire agreement and understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written. The Parties acknowledge that the consideration recited herein is the sole and only consideration for this Agreement, that they have voluntarily entered into this Agreement, and that no representations, promises, or inducements have been made other than those that appear in this Agreement.

19. **No Modification.** This Agreement can be amended, modified or terminated only by a writing executed by each of the Parties.

20. **No Waiver of Breach.** No breach of any provision of this Agreement can be waived unless in writing. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

21. **No Prejudice to Drafter.** Each Party has had a full and ample opportunity to review this Agreement and to make suggestions or changes to it. Accordingly, the Parties understand and agree that this Agreement is deemed to have been drafted jointly by the Parties, and the Parties agree that the common-law principles of construing ambiguities against the drafter shall have no application hereto. This Agreement should be construed fairly and not in favor of or against one Party as the drafter hereof.

22. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties. "Successors" shall mean (i) each Party's respective successors, assignees, buyers, grantees, vendees, or transferees; (ii) their past or present, direct or indirect, affiliates, partners, joint venturers, subsidiaries, parents, representatives, receivers, trustees, officers, directors, employees, agents, representatives, attorneys and shareholders and each of them, to the extent that each such person or entity is acting on behalf of the Party in question; and (iii) any Successors to a party or its Successors.

23. **Transfer of Interests.** Developer shall not execute any deed or contract conveying any interest in any portion of the Project Site on which housing may be constructed, or transferring or assigning any development rights or permit approvals regarding the Project Site, or transferring or assigning any interest in any portion of this Agreement, unless (i) Developer and the entity receiving such interest have executed a purchase agreement or other agreement governing conveyance of that interest, and (ii) the entity receiving such interest executes an assignment assuming the Developer's obligations under this Agreement that is enforceable by SAJE directly against the entity receiving the interest. Upon execution of any deed or contract implicating this paragraph, Developers shall deliver to SAJE an executed copy of the assignment pertaining to requirements of this paragraph.

24. **Current Settlement.** Within ninety days following the Effective Date, Developer shall pay twenty-five thousand dollars (\$25,000) to SAJE, to be utilized by SAJE for costs and attorneys' fees related to administrative filings, litigation, and settlement of this matter, through the Effective Date. With the exception of the foregoing, and except as expressly provided elsewhere in this Agreement, the Parties shall bear their own attorneys' fees and costs in connection with the Project and this Agreement.

25. **Recordation.** To ensure that Developer's potential successors are informed that obligations exist under this Agreement, within forty-five (45) days after the Effective Date, Developer shall arrange for the recordation of the memorandum attached as Exhibit C with the Los Angeles County Recorder. Developer covenants that it shall not transfer ownership or assign title to any portion of the Project Site or development rights prior to such recordation.

26. **Headings.** Headings contained in this Agreement are inserted as a matter of convenience and for reference, and are not intended and shall not be construed to define, limit, extend or otherwise describe the scope of this Agreement or any provisions of this Agreement.

27. **Notices.** All communications hereunder shall be in writing and shall either be served personally on the Party to whom notice is to be given or shall be mailed by United States mail, addressed as follows:

If to the Developer: Roger Taylor
Vice President, PHR LA Mart LLC
3191 Casitas Avenue, Suite 130
Los Angeles, CA 90039

With a copy to: Edgar Khalatian
Mayer Brown LLP
350 South Grand Avenue, 25th Floor
Los Angeles, California 90071
E-mail: ekhalatian@mayerbrown.com

If to SAJE: SAJE
152 West 32nd Street
Los Angeles, CA 90007
E-mail: info@saje.net
cstrathmann@saje.net
jdonlin@saje.net

With a copy to: Mitchell M. Tsai
Mitchell M. Tsai, Attorney at Law
350 West Colorado Boulevard, Suite 225
Pasadena, California 91105
E-mail: info@mitchtsailaw.com
mitch@mitchtsailaw.com

Julian Gross
PolicyLink
1438 Webster Street, Suite 303
Oakland, CA 94612
E-mail: julian@policylink.org

Each Party or their counsel shall promptly notify the other Party and counsel of any change of address by written notice specifically referring to this Agreement. Notice shall be deemed given upon the earlier of receipt by the addressee or five (5) days after deposit in the United States mail in the manner aforesaid.

28. **Good Faith Compliance.** The Parties agree to cooperate in good faith and to do all things necessary to effectuate this Agreement, including executing and delivering such additional and further instruments, documents and assurances as may be reasonably necessary to carry out or fully effectuate the intent, purposes and provisions hereof

29. **Remedies.** The Parties agree that in an action to enforce this Agreement, specific performance and other equitable remedies are available.

30. **Severability.** If a court of competent jurisdiction holds any aspect, provision or portion of this Agreement to be invalid, void, contrary to law or public policy or otherwise unenforceable, the remaining provisions shall nevertheless survive and continue in full force and effect without being impaired or invalidated in any way. In the event a court of competent jurisdiction holds any provision of this Agreement to be unenforceable as written, but such provision may be enforceable by limitation thereof, then such provision shall be enforceable to maximum extent permitted by applicable law.


31. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original for the purpose of effectuating the Agreement, but all of which together shall constitute one and the same instrument. Any faxed counterpart of this Agreement shall be deemed to be an original, but the Party delivering a facsimile counterpart further shall immediately deliver to each of the other Parties an original counterpart.

[SIGNATURE PAGE FOLLOWS]

BY AFFIXING HIS/HER SIGNATURE BELOW, EACH OF THE PERSONS SIGNING THIS AGREEMENT REPRESENTS THAT HE/SHE HAS READ AND UNDERSTANDS THIS AGREEMENT, THAT HE/SHE IS AUTHORIZED TO SIGN THIS AGREEMENT, AND THAT THE PARTY ON BEHALF OF WHOM HE/SHE SIGNS THIS AGREEMENT AGREES TO BE BOUND BY ITS TERMS.

IT IS SO AGREED.

PHR LA MART LLC, a California limited liability corporation

By: 
Its Member
Aca Tavition

Date: 9-18-2017

SAJE, a California nonprofit corporation

By: _____
Its _____

Date: _____

APPROVED AS TO FORM:

MAYER BROWN LLP
ANDREW T. KUGLER

By: _____
Andrew T. Kugler
Attorneys for PHR LA Mart, LLC

Date: _____

BY AFFIXING HIS/HER SIGNATURE BELOW, EACH OF THE PERSONS SIGNING THIS AGREEMENT REPRESENTS THAT HE/SHE HAS READ AND UNDERSTANDS THIS AGREEMENT, THAT HE/SHE IS AUTHORIZED TO SIGN THIS AGREEMENT, AND THAT THE PARTY ON BEHALF OF WHOM HE/SHE SIGNS THIS AGREEMENT AGREES TO BE BOUND BY ITS TERMS.


IT IS SO AGREED.

PHR LA MART LLC, a California limited liability corporation

By: _____
Its _____

Date: _____

SAJE, a California nonprofit corporation

By: 
Its EXECUTIVE DIRECTOR

Date: Sept. 18, 2017

APPROVED AS TO FORM:

MAYER BROWN LLP
ANDREW T. KUGLER

By: _____
Andrew T. Kugler
Attorneys for PHR LA Mart, LLC

Date: _____

BY AFFIXING HIS/HER SIGNATURE BELOW, EACH OF THE PERSONS SIGNING THIS AGREEMENT REPRESENTS THAT HE/SHE HAS READ AND UNDERSTANDS THIS AGREEMENT, THAT HE/SHE IS AUTHORIZED TO SIGN THIS AGREEMENT, AND THAT THE PARTY ON BEHALF OF WHOM HE/SHE SIGNS THIS AGREEMENT AGREES TO BE BOUND BY ITS TERMS.

IT IS SO AGREED.

PHR LA MART LLC, a California limited liability corporation

By: _____
Its _____

Date: _____


SAJE, a California nonprofit corporation

By: _____
Its _____

Date: _____

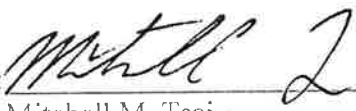
APPROVED AS TO FORM:

MAYER BROWN LLP
ANDREW T. KUGLER

By:  _____
Andrew T. Kugler
Attorneys for PHR LA Mart, LLC

Date: 9/18/17

MITCHELL M. TSAI, ATTORNEY AT LAW
MITCHELL M. TSAI

By:  _____
Mitchell M. Tsai
Attorneys for SAJE

Date: September 18, 2017

EXHIBIT A:

REQUEST FOR DISMISSAL

ATTORNEY OR PARTY WITHOUT ATTORNEY: STATE BAR NO: 277156 NAME: Mitchell M. Tsai FIRM NAME: Mitchell M. Tsai, Attorney at Law STREET ADDRESS: 350 West Colorado Boulevard, Suite 225 CITY: Pasadena STATE: CA ZIP CODE: 91105 TELEPHONE NO.: 626-381-9248 FAX NO.: 626-389-5414 E-MAIL ADDRESS: mitch@mitchtsailaw.com ATTORNEY FOR (Name): Plaintiff/Petitioner	FOR COURT USE ONLY
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles STREET ADDRESS: 111 N. Hill Street MAILING ADDRESS: 111 N. Hill Street CITY AND ZIP CODE: Los Angeles, CA 90012 BRANCH NAME: Central	
Plaintiff/Petitioner: SAJE Defendant/Respondent: CITY OF LOS ANGELES	
REQUEST FOR DISMISSAL	CASE NUMBER: BS 166738

A conformed copy will not be returned by the clerk unless a method of return is provided with the document.

This form may not be used for dismissal of a derivative action or a class action or of any party or cause of action in a class action. (Cal. Rules of Court, rules 3.760 and 3.770.)

1. **TO THE CLERK:** Please **dismiss** this action as follows:
- a. (1) With prejudice (2) Without prejudice
 - b. (1) Complaint (2) Petition
 - (3) Cross-complaint filed by (name): _____ on (date): _____
 - (4) Cross-complaint filed by (name): _____ on (date): _____
 - (5) Entire action of all parties and all causes of action
 - (6) Other (specify):*
2. (Complete in all cases except family law cases.)
 The court did did not waive court fees and costs for a party in this case. (This information may be obtained from the clerk. If court fees and costs were waived, the declaration on the back of this form must be completed).

Date: September 18, 2017
 Mitchell M. Tsai _____
(TYPE OR PRINT NAME OF ATTORNEY PARTY WITHOUT ATTORNEY) (SIGNATURE)

Attorney or party without attorney for:
 Plaintiff/Petitioner Defendant/Respondent
 Cross Complainant

*If dismissal requested is of specified parties only of specified causes of action only, or of specified cross-complaints only, so state and identify the parties, causes of action, or cross-complaints to be dismissed.

3. **TO THE CLERK:** Consent to the above dismissal is hereby given.**

Date: _____

(TYPE OR PRINT NAME OF ATTORNEY PARTY WITHOUT ATTORNEY) (SIGNATURE)

Attorney or party without attorney for:
 Plaintiff/Petitioner Defendant/Respondent
 Cross Complainant

** If a cross-complaint – or Response (Family Law) seeking affirmative relief – is on file, the attorney for cross-complainant (respondent) must sign this consent if required by Code of Civil Procedure section 581 (i) or (j).

(To be completed by clerk)

4. Dismissal entered as requested on (date): _____

5. Dismissal entered on (date): _____ as to only (name): _____

6. Dismissal **not entered** as requested for the following reasons (specify): _____

7. a. Attorney or party without attorney notified on (date): _____
 b. Attorney or party without attorney not notified. Filing party failed to provide
 a copy to be conformed means to return conformed copy

Date: _____ Clerk, by _____ Deputy Page 1 of 2

Plaintiff/Petitioner: SAJE
 Defendant/Respondent: CITY OF LOS ANGELES

CASE NUMBER:
 BS 166738

COURT'S RECOVERY OF WAIVED COURT FEES AND COSTS

If a party whose court fees and costs were initially waived has recovered or will recover \$10,000 or more in value by way of settlement, compromise, arbitration award, mediation settlement, or other means, the court has a statutory lien on that recovery. The court may refuse to dismiss the case until the lien is satisfied. (Gov. Code, § 68637.)

Declaration Concerning Waived Court Fees

1. The court waived court fees and costs in this action for *(name)*:
2. The person named in item 1 is *(check one below)*:
 - a. not recovering anything of value by this action.
 - b. recovering less than \$10,000 in value by this action.
 - c. recovering \$10,000 or more in value by this action. *(If item 2c is checked, item 3 must be completed.)*
3. All court fees and court costs that were waived in this action have been paid to the court *(check one)*: Yes No

I declare under penalty of perjury under the laws of the State of California that the information above is true and correct.

Date:

 (TYPE OR PRINT NAME OF ATTORNEY PARTY MAKING DECLARATION)

 (SIGNATURE)

EXHIBIT B:

AFFORDABLE HOUSING INCENTIVE GUIDELINES

AFFORDABLE HOUSING INCENTIVES GUIDELINES

Implementing the State Density Bonus Law
California Government Code Section 65915

Approved by the City Planning Commission on June 9, 2005
(Supersedes all previous editions of Affordable Housing Incentives Guidelines)

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AFFORDABLE HOUSING INCENTIVES GUIDELINES

I. SCOPE AND PURPOSE

As required by State law, the Municipal Code implements the State's density bonus provisions by setting forth the density bonus program requirements, incentives and procedures. These Guidelines more fully describe the density bonus provisions and qualifying criteria; the incentives available to qualifying projects; and the procedures whereby projects may apply for a bonus and incentives.

The Guidelines may be modified by resolution of the Planning Commission.

II. DEFINITIONS

Area Median Income (AMI) – The estimate of median income in the Los Angeles – Long Beach Primary Metropolitan Statistical Area that is determined periodically by the US Department of Housing and Urban Development (HUD), adjusted for household size and which is published periodically.

Density Bonus -- A density increase over the otherwise maximum allowable residential density pursuant to California Government Code Section 65915. The density bonus shall apply to housing developments consisting of three or more dwelling units.

Incentive or Concession – A reduction in a development standard or a modification of the Zoning Code.

Moderate Income, Lower Income and Very Low Income – Annual income of a household that does not exceed the Area Median Income for the income category as specified in the California Health and Safety Code Sections 50079.5 and 50105. (See Appendix for Annual Household Income Levels)

Mass Transit Station – A transit stop for a fixed rail system or Major Bus Center. A station is one that is currently in use, whose location is proposed and for which a full funding contract has been signed by all funding partners, or one for which a resolution to fund a preferred alignment has been adopted by the Los Angeles County Metropolitan Transit Authority.

Major Bus Route – A bus route with peak-hour headways of 15 minutes or less in two directions for 2 of the 3 hours between 4:00 p.m. and 7:00 p.m.

Senior Citizens – Individuals who are at least 62 years of age, except that for density bonus projects of at least 35 dwelling units, a threshold of 55 years of age may be used, provided all applicable City, State and federal regulations are met.

III. DENSITY BONUS AND SET-ASIDES (SEE APPENDIX FOR EXAMPLES)

Density bonus provisions apply to projects of 5 or more units. Projects qualify for a 20% density bonus, if they provide the following tenant set-asides for a period of at least 30 years, as established by State Law:

- 5% of the dwelling units for Very Low Income households, earning no more than 50% of the AMI and paying no more in rent than the amount established by LAHD for households earning up to 50% of the median income, OR
- 10% of the dwelling units for Lower Income households, earning no more than 80% of the AMI and paying no more in rent than the amount established by the Los Angeles Housing Department (LAHD) for households earning up to 60% of the median income.

Projects may qualify for an additional density bonus to a maximum of 35% provided the number of set-aside units are increased as follows:

- For each 1% increase in the percentage of Very Low Income affordable units, projects will receive an additional 2.5% density bonus up to a maximum of 35%.
- For each 1% increase in the percentage of Lower Income affordable units, projects will receive an additional 1.5% density bonus up to a maximum of 35%.

Projects qualify for an additional 10% density bonus up to a maximum of 35% if they are located on or near a transit corridor or major employment center (see By-Right Incentives, below).

Senior Housing Projects

State law provides an automatic 20% density bonus for housing projects that set-aside 100% of the housing for senior citizens. There are no income or rent restrictions for this bonus. As an incentive to provide affordable housing for seniors, senior housing projects that set aside at least 10% of the units for Lower Income seniors or 5% of the units for Very Low Income seniors will qualify for an additional 15% density bonus, for a total density bonus of 35%. All senior housing projects are required to sign a Covenant with the Los Angeles Housing Department assuring that the units are restricted to seniors for a period of 30 years.

For-Sale Housing Developments

Housing developments that set-aside 5% of the dwelling units for sale to Very Low Income households or 10% of the dwelling units for sale to Lower Income dwelling units will qualify for the density bonus a 20% and additional density up to a maximum of 35% as noted above.

Housing developments that set aside 10% of the dwelling units for buyers who meet the criteria of Moderate Income households (earning no more than 120% of AMI) will also qualify for a density bonus of 20%. For each additional 1% set-aside, the developer may receive an additional 1% density bonus up to a maximum of 35%. It is the intent of this program that these units will be owner-occupied.

Consistent with State law, the owner of the Moderate Income set-aside unit can sell that unit any time at an unrestricted price. At the time of sale, the owner can recoup his/her down payment, and the value of any improvements, but any profit must be shared with the City. The City's share is equal to the percentage by which the initial sale price to the Moderate-Income Household was less than the fair market value of the home at the time of the initial sale. These funds are to be used within three years for the construction, rehabilitation, or preservation of affordable housing for Extremely Low, Very Low, Lower, and Moderate-Income persons or families.

The Los Angeles Housing Department (LAHD) will develop additional guidelines to implement this provision of State law and to address for-sale Lower and Very Low Income units.

Donation of Land in Lieu of Set Aside

State law permits an applicant for a subdivision, parcel map or other residential development approval to obtain a 15% density bonus, if the applicant donates land to the City that meets, at a minimum, the following criteria:

- The developable acreage and zoning of the land being transferred are sufficient to permit construction of at least 10% of the number of residential units in the proposed development.
- The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units.
- The transferred land is within the boundary of the proposed development, or with the City's agreement, within ¼ mile of the development.
- The transferred land is fully entitled to permit the number of required affordable units.
- The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map or residential development application.

For each additional 1% land donated, the applicant may obtain an additional 1% density bonus up to a maximum of 35%. Also, an applicant may receive a density bonus for setting aside affordable units within the development project with the total bonus not to exceed 35%.

Density Bonus Calculation

The number of set-aside and density bonus units is based upon the maximum density allowed in the zone. State law requires that all density and set-aside calculations resulting in a fractional number be rounded up to the next whole number. For example, a 5,000 square foot lot in the R3 zone would permit 6 units (not 7 since the maximum density allowed is not "rounded up"). A 20% bonus would allow 2 extra units (1.2 is rounded up to 2 extra units). The required set-aside for Very Low Income households would be 1 unit (5% of 6 is .03, which is rounded up to 1.)

Other Discretionary Approval

Approval of density bonus units does not, in and of itself, trigger other discretionary approval such as Site Plan Review.

Term of Affordability

All Lower and Very Low Income rental density bonus units must remain affordable for 30 years (or longer, if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program.) LAHD has determined that equity sharing is the preferred method of ensuring ongoing availability of affordable housing upon re-sale of affordable restricted units. LAHD will be preparing implementing guidelines for the re-sale of Moderate, Lower and Very Low Income restricted units.

IV. BY-RIGHT INCENTIVES

Parking. State law provides parking standards that may be requested by a developer of a density bonus project and that the City must grant if requested. These standards apply not only to the restricted affordable units (the set-aside units) but also to the entire project. These standards are inclusive of handicapped and guest parking and are as follows:

- 0 – 1 bedrooms: one onsite parking space
- 2 – 3 bedrooms: two onsite parking spaces
- 4 or more bedrooms: 2½ parking spaces

If the total number of spaces required in the development results in a fractional number, it is rounded up to the next whole number. Tandem parking and uncovered parking are also permitted to meet these parking requirements.

Transit Corridor / Major Employment Centers. Projects that meet the following criteria will be granted an additional 10% density bonus, up to a maximum of 35%:

- At or within a 1,500 foot radius of an existing or fully funded major bus center, bus stop along a major bus route (defined as a bus route with peak-hour headways of 15 minutes or less in two directions in at least two of the three hours between 4:00 p.m. and 7:00 p.m.), or mass transit station; or
- At or within a 1,500 foot radius of an intersection of transit priority arterials; or
- In or within a 1,500 foot radius of the boundaries of a regional center; or
- In or within a 1,500 foot radius of boundaries of a major economic activity area (LAX, the Port of Los Angeles and Downtown);
- Within 1,500 feet of the boundaries of a college or university with an enrollment exceeding 10,000 students.

V. OTHER AFFORDABLE HOUSING INCENTIVES

In conformance with State law, at least one incentive or concession, in addition to the density bonus, must be provided to projects that set aside affordable units. The number of incentives increases as the percentage of set-aside units increases, as follows:

Very Low Income Households:

- One Incentive/Concession – 5% set-aside
- Two Incentives/Concessions – 10% set-aside
- Three Incentives/Concessions – 15% set-aside

Low Income and Moderate Income Households:

- One Incentive/Concession – 10% set-aside
- Two Incentives/Concessions – 20% set-aside
- Three Incentives/Concessions – 30% set-aside

Menu of Incentives/Concessions

Projects may request one or more of the following incentives or concessions, depending upon the income level of the targeted households and the percentage of set-aside units, in order to provide the affordable units:

- Up to 20% deviation from yard/setback requirements, except along any property line that abuts an R1 or more restrictively zoned property
- Up to 20% deviation from lot coverage requirements
- Up to 20% deviation from lot width requirements
- Up to 20% deviation from floor area requirements
- Up to 20% deviation from open space requirements
- Up to 20% additional building height, with the exception of properties within a Specific Plan for which 10% additional building height will be permitted
- Include area of street and alley dedication for purposes of calculating density
- A reduction or waiver in parking to include:
 - A reduction in parking requirements to not less than 1 parking space per restricted dwelling unit irrespective of the number of habitable rooms.
 - A reduction in parking requirements to not less than ½ parking space per dwelling unit for dwelling units restricted to Very Low or Low Income senior citizens.

VI. PROCEDURE FOR PROJECTS REQUESTING INCENTIVES/CONCESSIONS

For projects requesting a density bonus and one or more incentives included in the Menu of Incentives/Concessions above, the following procedures shall apply:

- The applicant shall pay the required fee, complete the appropriate environmental clearance and the required form(s) and submit the following to the Department of City Planning: (Note: density bonus projects are eligible for processing by the Expediting Unit, with payment of the appropriate fees.)
 - A summary of the project including location, number and type of housing units, including affordable units and bonus units
 - A parcel profile printout from the Zoning Information Map Access System (ZIMAS) confirming eligibility for the transit corridor incentive (if requested.)

- The rationale and accurate supporting information, sufficient to demonstrate that the specific request is necessary to make the affordable units feasible.
 - A site plan including floor plans and elevations of the project. The drawings must clearly and completely illustrate the intent of the project and the necessity of the incentive requested.
 - Photographs of the entire site and surrounding properties.
 - Information that the proposed project has no adverse impact on an Historic-Cultural Monument as declared by City, State or Federal government.
- The Director of Planning or his/her designee will review the information provided and issue a determination based on State law and these Guidelines.
 - In conformance with State law, denial of a request must include documentation that either the concession or incentive is not required to provide for affordable housing, or the concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment or on a property that includes an Historic-Cultural Monument as declared by the City, State or Federal government, and there is no way to reasonably mitigate or avoid the adverse impact without making the project unaffordable to Moderate, Lower or Very Low Income Households.
 - Notice and Appeal. Notice of the determination will be provided to the applicant, all owners of properties abutting, across the street or alley from, or having a common corner with the subject property and the local Certified Neighborhood Council. The determination by the Director of Planning is final unless appealed to the Area Planning Commission within 15 calendar days of the date of mailing. Only the applicant and abutting owners who received notice of the determination have the right to appeal. The decision of the Area Planning Commission is final.

For projects requesting an incentive/concession not on the Menu of Incentives/Concessions or a waiver of a development standard, the following procedures shall apply:

- The applicant shall pay the required fee, complete the appropriate environmental clearance, complete the required form(s) and submit the information listed above for projects requesting an incentive on the Menu.
- Hearing and Notice. The Director of Planning or designee will set the matter for public hearing at which evidence will be taken. Written notices shall be mailed, at least 24 days prior to the date of the hearing, to the Certified Neighborhood Council, applicant, property owners and occupants of property within 500' of the property that is the subject of the request.
- The Director of Planning or his/her designee will prepare a report for the City Planning Commission with conclusions and recommendations. The City Planning Commission decision may be appealed to the City Council.
- In conformance with State law, denial of a request must include documentation that either the concession or incentive is not required to provide for affordable housing, or the concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment or on a property that includes an Historic-Cultural Monument as declared by the

City, State or Federal government, and there is no way to reasonably mitigate or avoid the adverse impact without making the project unaffordable to Moderate, Lower or Very Low Income Households.

VII. DESIGN STANDARDS FOR AFFORDABLE UNITS

Design of Affordable Units in Mixed-Income Projects

Affordable dwelling units shall be generally comparable to market rate dwelling units, including total square footage, bedroom size, closet space amenities, number of bathrooms, etc., except in the quality of interior "finish" materials (e.g., floor and wall coverings). Affordable units should be no less than 90% of the average square footage of the market rate units with the same number of bedrooms. The design of restricted dwelling units should generally reflect the average number of bedrooms per dwelling unit in the development.

Location of Affordable Units within Mixed-Income Projects

Affordable dwelling units must be reasonably interspersed among market-rate dwelling units within the same building.

Equal Distribution of Amenities

Residents of affordable dwelling units may not be charged for amenities that are provided at no cost to other residents including, but not limited to, access to recreational facilities, parking, cable TV, and interior amenities such as dishwashers and microwave ovens. Optional services provided must be optional for all residents, and available to all under the same terms and conditions. Tenants of restricted units cannot be required to purchase additional services.

VIII. AFFORDABILITY REQUIREMENTS (SEE APPENDIX FOR HOUSEHOLD INCOME, MAXIMUM RENTS AND PURCHASE PRICES)

The Los Angeles Housing Department (LAHD) establishes the affordability restrictions on household income, based upon State law. These restrictions are subject to annual review and an owner can contact LAHD directly to receive the current restrictions. The examples provided in the Appendix (Section XII of these Guidelines) are for calendar year 2005 and represent the maximum that may be charged to Moderate, Lower and Very Low Income residents. For all questions about affordability requirements, contact LAHD at (213) 806-8806.

IX. LAHD MONITORING REQUIREMENTS

All projects shall comply with the annual monitoring requirements established by LAHD by means of a Covenant and Agreement. It is the responsibility of the owner to notify LAHD of any changes in the building that may affect compliance, such as change of ownership, management agent or on-site manager, vacancies in restricted units, or changes in compliance with the Los Angeles Department of Building and Safety (LADBS) requirements.

The following are LAHD requirements (a complete list is found in the LAHD Covenant):

- LAHD reviews all initial tenants' eligibility for affordable, set-aside dwelling units prior to occupancy

- LAHD annually reviews tenants' eligibility for affordable dwelling units.
- Building owners must provide LAHD with an annual review letter identifying the number of restricted dwelling units, household income and size, rent levels, dwelling unit size and verification of vacancies. LAHD may at any time audit a building containing restricted units to monitor the occupancy of these units.
- LAHD may make annual site visits to ensure that the restricted dwelling units are maintained in decent, safe and sanitary condition and that they are provided with the same level of services, including security and maintenance, as are applied to the other dwelling units in the development.
- If violations are found, fees and/or fines may be levied against the owner including the cost of legal action.

X. PROCEDURE FOR OBTAINING HOUSING DEPARTMENT SIGN-OFF FOR BUILDING PERMIT APPLICATION

- In the plan check process, LADBS determines the allowable density.
- LADBS requires a building permit applicant to get a "sign-off" from various City departments, including LAHD, and provides the applicant a "Clearance Summary Worksheet" for this purpose.
- If the project has obtained additional incentive(s) or relief from a development standard, documentation provided by the Department of City Planning should be presented to Building and Safety in the plan check process.
- Owner or his/her representative provides the following information to LAHD, in order for an Agreement Containing Covenants Affecting Real Property (Covenant) to be prepared:
 - Copy of the LADBS Clearance Summary Worksheet
 - Copy of the LADBS "Application for Building Permit and Certificate of Occupancy"
 - Address of site
 - Full legal description of property as specified in the grant deed
 - Property owner's name, address and telephone number
 - Name and title of individual signing the Agreement on behalf of the owner
 - Name, address and phone number of owner's representative
 - The incentives being requested and those that require a Covenant
 - The original number of units permitted by the zoning, before bonus
 - Number of units and bedroom mix of units
 - Number of restricted, set-aside units and number of bedrooms contained in each
- LAHD confirms the required number of the restricted affordable units, as specified in the Zoning Code based upon the LADBS Clearance Summary Worksheet, or as required by the Planning Department, and assures that the set-aside units meet all requirements established by these Guidelines

- LAHD determines the rent level or purchase price of the restricted affordable units and prepares a Covenant that establishes the number of such units, the affordability level and the term of affordability.
- The owner signs the Covenant and has it notarized. LAHD then completes the electronic sign-off of the building permit application and has the Covenant recorded by the County of Los Angeles.
- LAHD refers the applicant to LADBS to complete the permitting process.

Prior to the issuance of any Certificate of Occupancy, the following clearance must be obtained:

- Final clearance from LAHD that all conditions of the Agreement Containing Covenants Affecting Real Property have been met.

XI. CONTACT INFORMATION

Los Angeles Housing Department
Occupancy Monitoring Section
1200 W. 7th Street, 9th Floor
Los Angeles, CA 90017
(213) 808-8806

Department of City Planning
City Hall, 200 N. Spring Street, Room 721
Los Angeles, CA 90012
(213) 978-1372

Los Angeles Department of Building & Safety
201/221 N. Figueroa Street
Los Angeles, CA 90012
(888) 524-2845

XII. APPENDIX

PERCENTAGE OF SET-ASIDE UNITS AND CORRESPONDING DENSITY BONUS

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI		LOWER INCOME HOUSEHOLDS EARNING 50%-80% AMI	
Set-Aside Units	Density Bonus	Set-Aside Units	Density Bonus
5%	20.00%	10%	20.00%
6%	22.50%	11%	21.50%
7%	25.00%	12%	23.00%
8%	27.50%	13%	24.50%
9%	30.00%	14%	26.00%
10%	32.50%	15%	27.50%
11%	35.00%	16%	29.00%
		17%	30.50%
		18%	32.00%
		19%	33.50%
		20%	35.00%

SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 10-UNIT BUILDING

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI 10 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
5% x 10 = .50	1	20% x 10 = 2.00	2	12
6% x 10 = .60	1	22.5% x 10 = 2.25	3	13
7% x 10 = .70	1	25% x 10 = 2.50	3	13
8% x 10 = .80	1	27.5% x 10 = 2.75	3	13
9% x 10 = .90	1	30% x 10 = 3.00	3	13
10% x 10 = 1.0	1	32.5% x 10 = 3.25	4	14
11% x 10 = 1.1	2	35% x 10 = 3.50	4	14

LOWER INCOME HOUSEHOLDS EARNING 50%-80% AMI 10 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
10% x 10 = 1.0	1	20% x 10 = 2.00	2	12
11% x 10 = 1.1	2	21.5% x 10 = 2.15	3	13
12% x 10 = 1.2	2	23% x 10 = 2.30	3	13
13% x 10 = 1.3	2	24.5% x 10 = 2.45	3	13
14% x 10 = 1.4	2	26% x 10 = 2.60	3	13
15% x 10 = 1.5	2	27.5% x 10 = 2.75	3	13
16% x 10 = 1.6	2	29% x 10 = 2.90	3	13
17% x 10 = 1.7	2	30.5% x 10 = 3.05	4	14
18% x 10 = 1.8	2	32% x 10 = 3.20	4	14
19% x 10 = 1.9	2	33.5% x 10 = 3.35	4	14
20% x 10 = 2.0	2	35% x 10 = 3.50	4	14

SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 50-UNIT BUILDING

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI 50 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
5% x 50 = 2.50	3	20% x 50 = 10.00	10	60
6% x 50 = 3.00	3	22.5% x 50 = 11.25	12	62
7% x 50 = 3.50	4	25% x 50 = 12.50	13	63
8% x 50 = 4.00	4	27.5% x 50 = 13.75	14	64
9% x 50 = 4.50	5	30% x 50 = 15.00	15	65
10% x 50 = 5.00	5	32.5% x 50 = 16.25	17	67
11% x 50 = 5.50	6	35% x 50 = 17.50	18	68

LOWER INCOME HOUSEHOLDS EARNING 50%-80% AMI 50 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
10% x 50 = 5.00	5	20% x 50 = 10.00	10	60
11% x 50 = 5.50	6	21.5% x 50 = 10.75	11	61
12% x 50 = 6.00	6	23% x 50 = 11.50	12	62
13% x 50 = 6.50	7	24.5% x 50 = 12.50	13	63
14% x 50 = 7.00	7	26% x 50 = 13.00	13	63
15% x 50 = 7.50	8	27.5% x 50 = 13.75	14	64
16% x 50 = 8.00	8	29% x 50 = 14.50	15	65
17% x 50 = 8.50	9	30.5% x 50 = 15.25	16	66
18% x 50 = 9.00	9	32% x 50 = 16.00	16	66
19% x 50 = 9.50	10	33.5% x 50 = 16.75	17	67
20% x 50 = 10.00	10	35% x 50 = 17.50	18	68

**SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 10-UNIT BUILDING WITH
TRANSIT INCENTIVE (EXTRA 10% DENSITY BONUS)**

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI WITH TRANSIT INCENTIVE 10 UNITS ALLOWED BY THE ZONING						
Set-Aside Units		Bonus Units without Transit Incentive		Bonus Units with Transit Incentive		Total Units
Calculation	Units	Calculation	Units	Calculation	Units	
5% x 10 = .50	1	20% x 10 = 2.00	2	30% x 10 = 3.00	3	13
6% x 10 = .60	1	22.5% x 10 = 2.25	3	32.5% x 10 = 3.25	4	14
7% x 10 = .70	1	25% x 10 = 2.50	3	35% x 10 = 3.5	4	14
8% x 10 = .80	1	27.5% x 10 = 2.75	3	EXCEEDS 35%	4	14
9% x 10 = .90	1	30% x 10 = 3.00	3	"	4	14
10% x 10 = 1.0	1	32.5% x 10 = 3.25	4	"	4	14
11% x 10 = 1.1	2	35% x 10 = 3.50	4	"	4	14

LOWER INCOME HOUSEHOLDS EARNING <50% AMI WITH TRANSIT INCENTIVE 10 UNITS ALLOWED BY THE ZONING						
Set-Aside Units		Bonus Units without Transit Incentive		Bonus Units with Transit Incentive		Total Units
Calculation	Units	Calculation	Units		Units	
10% x 10 = 1.0	1	20% x 10 = 2.00	2	30% x 10 = 3.00	3	13
11% x 10 = 1.1	2	21.5% x 10 = 2.15	3	31.5% x 10 = 3.15	4	14
12% x 10 = 1.2	2	23% x 10 = 2.30	3	33% x 10 = 3.30	4	14
13% x 10 = 1.3	2	24.5% x 10 = 2.45	3	34.5% x 10 = 3.45	4	14
14% x 10 = 1.4	2	26% x 10 = 2.60	3	EXCEEDS 35%	4	14
15% x 10 = 1.5	2	27.5% x 10 = 2.75	3		4	14
16% x 10 = 1.6	2	29% x 10 = 2.90	3		4	14
17% x 10 = 1.7	2	30.5% x 10 = 3.05	4		4	14
18% x 10 = 1.8	2	32% x 10 = 3.20	4		4	14
19% x 10 = 1.9	2	33.5% x 10 = 3.35	4		4	14
20% x 10 = 2.0	2	35% x 10 = 3.50	4		4	14

SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 50-UNIT BUILDING WITH TRANSIT INCENTIVE (EXTRA 10% BONUS)

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI WITH TRANSIT INCENTIVE 50 UNITS ALLOWED BY THE ZONING						
Set-Aside Units		Bonus Units without Transit Incentive		Bonus Units with Transit Incentive		Total Units
Calculation	Units	Calculation	Units		Units	
5% x 50 = 2.50	3	20% x 50 = 10.00	10	30% x 50 = 15.00	15	65
6% x 50 = 3.00	3	22.5% x 50 = 11.25	12	32.5% x 50 = 16.25	17	67
7% x 50 = 3.50	4	25% x 50 = 12.50	13	35% x 50 = 17.5	18	68
8% x 50 = 4.00	4	27.5% x 50 = 13.75	14	EXCEEDS 35%		68
9% x 50 = 4.50	5	30% x 50 = 15.00	15			68
10% x 50 = 5.00	5	32.5% x 50 = 16.25	17			68
11% x 50 = 5.50	6	35% x 50 = 17.50	18			68

LOWER INCOME HOUSEHOLDS EARNING <50% AMI WITH TRANSIT INCENTIVE 50 UNITS ALLOWED BY THE ZONING						
Set-Aside Units		Bonus Units without Transit Incentive		Bonus Units with Transit Incentive		Total Units
Calculation	Units	Calculation	Units		Units	
10% x 50 = 5.00	5	20% x 50 = 10.00	10	30% x 50 = 15.00	15	65
11% x 50 = 5.50	6	21.5% x 50 = 10.75	11	31.5% x 50 = 15.75	16	66
12% x 50 = 6.00	6	23% x 50 = 11.50	12	33% x 50 = 16.50	17	67
13% x 50 = 6.50	7	24.5% x 50 = 12.50	13	34.5% x 50 = 17.25	18	68
14% x 50 = 7.00	7	26% x 50 = 13.00	13	EXCEEDS 35%		68
15% x 50 = 7.50	8	27.5% x 50 = 13.75	14			68
16% x 50 = 8.00	8	29% x 50 = 14.50	15			68
17% x 50 = 8.50	9	30.5% x 50 = 15.25	16			68
18% x 50 = 9.00	9	32% x 50 = 16.00	16			68
19% x 50 = 9.50	10	33.5% x 50 = 16.75	17			68
20% x 50 = 10.0	10	35% x 50 = 17.50	18			68

EXHIBIT C:

FORM OF MEMORANDUM RECORDING AGREEMENT

When Recorded Return to:

Edgar Khalatian
Mayer Brown LLP
350 South Grand Avenue, 25th Floor
Los Angeles, California 90071

MEMORANDUM OF AGREEMENT

Grantor: PHR LA Mart, LLC, a California limited liability corporation
Grantee: SAJE, a California nonprofit corporation

Abbrev. Legal Desc.: 1900 South Broadway, Los Angeles, CA 90007
Complete legal description in Attachment A

Assessor's Tax Parcel ID #s: 5126-030-005, 5126-030-006, 5126-030-009, 5126-030-011, 5126-031-009, and 5126-031-010.

THIS MEMORANDUM OF AGREEMENT is dated as of September 18, 2017, between PHR LA Mart, LLC, a California limited liability corporation ("Grantor"), and SAJE, a California nonprofit corporation ("Grantee").

1. Agreement. Grantor and Grantee have entered into a Settlement Agreement dated as of September 18, 2017 (the "Agreement"). The Agreement resolves certain disputes between the parties associated with a mixed use development project in Los Angeles, California, at the two city blocks bounded by West Washington Boulevard on the north, West 21st Street to the south, South Hill Street to the west, and South Main Street to the east (the "Project"). The Agreement binds various successors to and assigns of the parties. The obligations of Grantors set forth in the Agreement will be part of covenants running with the land for a period of fifty-five (55) years. The land affected by the Agreement is legally described in Attachment A to this Memorandum.

2. Availability of Agreement. Copies of the Agreement are available from the following parties:

Roger Taylor
Vice President, PHR LA Mart LLC
3191 Casitas Avenue, Suite 130
Los Angeles, CA 90039

Edgar Khalatian
Mayer Brown LLP
350 South Grand Avenue, 25th Floor
Los Angeles, California 90071

SAJE
152 West 32nd Street
Los Angeles, CA 90007

Mitchell M. Tsai, Attorney at Law
350 West Colorado Boulevard, Suite 225
Pasadena, California 91105

Julian Gross
PolicyLink
1438 Webster Street, Suite 303
Oakland, CA 94612

3. Purpose of Memorandum of Agreement. This Memorandum of Agreement is prepared for the purpose of notice and recordation and in no way modifies the Agreement.

[SIGNATURE PAGE FOLLOWS]

PHR LA MART LLC, a California limited liability corporation

By: _____

Date: _____

Its _____

SAJE, a California nonprofit corporation

Date: _____

By: _____

Its _____

[NOTARY PAGES]

Attachment A

Legal Description of Property

PARCEL 1:

THAT PORTION OF MCCARTNEY'S WASHINGTON GARDENS, AS PER MAP RECORDED IN BOOK 10 PAGE 193 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH LIES SOUTHEASTERLY OF THE SOUTHEASTERLY LINE OF BROADWAY, 90 FEET WIDE, AS DESCRIBED IN DECREE OF CONDEMNATION ENTERED IN CASE NO. 232033, SUPERIOR COURT OF SAID COUNTY, A CERTIFIED COPY THEREOF BEING RECORDED ON JULY 9, 1930 AS INSTRUMENT NO. 1031, IN BOOK 10160 PAGE 71 OF OFFICIAL RECORDS, IN THE OFFICE OF SAID RECORDER.

EXCEPT THEREFROM THAT PORTION OF MCCARTNEY'S WASHINGTON GARDENS, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 10 PAGE 193 OF MAPS, IN THE OFFICE OF THE REGISTRAR-RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL 1 IN DEED TO L.A. MART, RECORDED ON JULY 30, 1982, AS OFFICIAL RECORDS DOCUMENT NO. 82-771983, IN THE OFFICE OF THE SAID REGISTRAR-RECORDER WITH THE NORTHWESTERLY BOUNDARY OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN FINAL JUDGMENT IN FAVOR OF THE CITY OF LOS ANGELES, A COPY OF WHICH WAS RECORDED ON MAY 16, 1912, IN BOOK 5028 PAGE 102, OF DEEDS, IN THE OFFICE OF SAID REGISTRAR-RECORDER; THENCE SOUTH 28 DEGREES 57' 17" WEST ALONG SAID NORTHWESTERLY BOUNDARY 10.00 FEET; THENCSSSE NORTH 16 DEGREES 20' 20" WEST 14.07 FEET TO A POINT IN SAID NORTHEASTERLY LINE DISTANT NORTH 61 DEGREES 37' 57" WEST THEREON 10.00 FEET FROM SAID NORTHWESTERLY BOUNDARY; THENCE SOUTH 61 DEGREES 37' 57" EAST ALONG SAID NORTHWESTERLY BOUNDARY 10.00 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF LOT 10 IN BLOCK 1 OF THE WASHINGTON GARDEN TRACT, AS PER MAP RECORDED IN BOOK 3 PAGES 138 AND 139 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING EASTERLY OF THE EASTERLY LINE OF BROADWAY 90 FEET WIDE, AS ESTABLISHED BY FINAL DECREE OF CONDEMNATION IN SUPERIOR COURT CASE NO. 232033, A CERTIFIED COPY THEREOF HAVING BEEN RECORDED ON JANUARY 6, 1931 IN BOOK 10526 PAGE 152 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 3:

LOT 8 AND THE WESTERLY 20 FEET OF LOT 6 IN BLOCK 1 OF THE WASHINGTON GARDEN TRACT, AS PER MAP RECORDED IN BOOK 3 PAGE 138 AND 139 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 4:

THE WEST 20 FEET OF LOT 12 AND ALL OF LOTS 14, 16, 18 AND 20, IN BLOCK 1 OF THE WASHINGTON GARDEN TRACT, AS PER MAP RECORDED IN BOOK 3 PAGES 138 AND 139 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 5:

THAT PORTION OF LOT 12 IN BLOCK 1 OF SUBDIVISION OF A PORTION OF THE WASHINGTON GARDEN TRACT, AS PER MAP RECORDED IN BOOK 3 PAGES 138 AND 139 OF MISCELLANEOUS RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF BROADWAY, AS DESCRIBED IN DECREE OF CONDEMNATION, RENDERED IN CASE NO. 232033 OF THE SUPERIOR COURT IN AND FOR SAID COUNTY, WITH THE SOUTHWESTERLY LINE OF SAID LOT 12; THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE, TO THE NORTHEASTERLY LINE OF SAID LOT 12, THENCE NORTHWESTERLY, ALONG SAID NORTHEASTERLY LINE, 0.55 FEET TO THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 20 FEET OF SAID LOT 12; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE, 100 FEET TO THE SOUTHWESTERLY LINE OF SAID LOT 12; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE, 0.73 FEET TO THE POINT OF BEGINNING.

PARCEL 6:

LOT 22 IN BLOCK 1 OF THE WASHINGTON GARDEN TRACT, AS PER MAP RECORDED IN BOOK 3 PAGES 138 AND 139 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THAT PORTION OF SAID LAND AS CONDEMNED FOR THE WIDENING AND EXTENDING OF HILL STREET BY FINAL DECREE OF CONDEMNATION CASE NO. B-68612 SUPERIOR COURT, A CERTIFIED COPY OF WHICH WAS RECORDED IN BOOK 1430 PAGE 346, OFFICIAL RECORDS.

PARCEL 7:

THAT CERTAIN PORTION OF THAT CERTAIN TRACT OF LAND IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, KNOWN AS MCCARTNEY'S WASHINGTON GARDENS, AS PER MAP RECORDED IN BOOK 10,

PAGE 193 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF HILL STREET, 92 FEET WIDE, AS ESTABLISHED BY FINAL DECREE OF CONDEMNATION, IN CASE NO. B68612, A CERTIFIED COPY THEREOF HAVING BEEN RECORDED ON NOVEMBER 22, 1922 IN BOOK 1430, PAGE 346 OF OFFICIAL RECORDS. IN THE OFFICE OF SAID COUNTY RECORDER, WITH THE NORTHEASTERLY LINE OF SAID MCCARTNEY'S WASHINGTON GARDENS, SAID NORTHEASTERLY LINE ALSO BEING THE SOUTHWESTERLY LINE OF WASHINGTON BOULEVARD, 80 FEET WIDE, AS SHOWN ON SAID MAP OF MCCARTNEYS WASHINGTON GARDENS; THENCE ALONG SAID NORTHEASTERLY LINE, SOUTH 61 DEGREES 34' 22" EAST, 266.97 FEET TO THE NORTHEASTERLY LINE, SOUTH 61 DEGREES 34' 22" EAST, 266.97 FEET TO THE NORTHWESTERLY LINE OF BROADWAY, 90 FEET WIDE, AS ESTABLISHED BY FINAL DECREE OF CONDEMNATION IN CASE NO. 232033, A CERTIFIED COPY THEREOF HAVING BEEN RECORDED ON JANUARY 6, 1931 IN BOOK 10526, PAGE 152 OF SAID OFFICIAL RECORDS; THENCE ALONG SAID NORTHWESTERLY LINE OF BROADWAY, SOUTH 28 DEGREES 54' 55" WEST, 695.49 FEET, MORE OR LESS TO THE SOUTHWESTERLY LINE OF SAID MCCARTNEY'S WASHINGTON GARDENS; THENCE ALONG SAID SOUTHWESTERLY LINE, NORTH 61 DEGREES 35' 43" WEST, 265.78 FEET TO SAID SOUTHEASTERLY LINE OF SAID HILL STREET; THENCE ALONG SAID SOUTHEASTERLY LINE, NORTH 28 DEGREES 49' 01" EAST, 695.59 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

PARCEL 8:

LOT 3 IN BLOCK 1 OF SUBDIVISION OF A PORTION OF WASHINGTON GARDEN, IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3 PAGE 138 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 9:

THE EASTERLY 40 FEET OF LOT 6 IN BLOCK 1 OF THE SUBDIVISION OF A PORTION OF THE WASHINGTON GARDEN TRACT, IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3 PAGE 138 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 10:

LOT 4 IN BLOCK 1 OF SUBDIVISION OF A PORTION OF WASHINGTON GARDEN TRACT, IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3 PAGE 138 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT D:

SAMPLE HCID COVENANT AGREEMENT

OFFICIAL BUSINESS

Document entitled to free
Recording per Government Code
Section 6103



Recorded at the request of and mail to:
Los Angeles Housing and Community
Investment Department
Planning and Land Use Unit
P.O. Box 532729
Los Angeles, California 90053-2729
Attn: Environmental Affairs Officer

-----SPACE ABOVE THIS LINE FOR RECORDER'S USE-----

**RENTAL COVENANT AGREEMENT RUNNING WITH THE LAND
CITY OF LOS ANGELES**

AGREEMENT NUMBER 0-129882 **OF CITY CONTRACTS**

This Agreement is made this 15th day of August, 2017, by and between the City of Los Angeles ("City"), a municipal corporation, acting by and through the Los Angeles Housing and Community Investment Department ("Department") and NO HO URBAN APARTMENT, LLC, a California limited liability company ("Owner").

RECITALS

WHEREAS, the Owner is the record owner of that certain real property located at and commonly known as 6226 North Colfax Avenue (on which currently sits a church, hereinafter collectively referred to as the "Existing Project") in the City of Los Angeles, County of Los Angeles, State of California (the "Property"), which address is also set forth in Exhibit "A," which is attached hereto and incorporated herein by this reference; and

WHEREAS, the Owner intends to develop, rehabilitate or legalize one or more residential units on the Property which calls for the demolition of the Existing Project, and the construction of a new three (3) story, forty-one (41) unit apartment building over a one (1) story garage (the "Project"); and

WHEREAS, in connection therewith, the Owner has sought and have or will receive a density bonus under the Government Code Section 65915 and Los Angeles Municipal Code ("LAMC") Section 12.22 A.25, which provide for a density bonus of up to a maximum of 35%, by-right parking incentive and possible additional incentives or concessions, and/or possibly other discretionary land use approval(s) by the City's Planning Department; and

WHEREAS, as a requirement for the award of a density bonus or as a condition of the discretionary land use approval(s) for the Project, the Owner must set aside a certain number of Restricted Unit(s) at the Project for rent to income eligible households so as to provide affordable housing opportunities to Very Low, Low and/or Moderate Income Households and possibly Seniors, and to improve housing design standards to meet the housing needs of the City's population; and

WHEREAS, it is the desire of the City and the Owner to enter into this Agreement to ensure that such requirement is fully complied with and to provide for the rental of the Restricted Unit(s) at affordable Rents as set forth in Exhibit "B," which is attached hereto and incorporated herein by this reference; and

WHEREAS, the Department administers and coordinates various local, state and federal public funding sources to promote the production of affordable housing citywide; and

WHEREAS, the Department is authorized to execute and enforce covenants and agreements implementing affordable housing requirements; and

WHEREAS, the parties agree that because the Owner will receive from the City a 35% Density Bonus, allowing forty-one (41) units in lieu of the otherwise maximum density limit of thirty (30) units, in order to construct the Project (new three (3) story, forty-one (41) unit apartment building over a one (1) story garage) approved pursuant to Department of Building and Safety Application No. 16010-10000-06426, Government Code Section 65915, City's Charter Section 562, and/or the provisions of §12.21 A.4(a), §12.22 A.25, §12.27, §14.00A.2, §17.11, §19.01.D, §19.01.O, §19.05.A of the LAMC, the Owner agrees to provide four (4) Restricted Unit(s) at the Project for rent to Eligible Households; and

WHEREAS, the Owner also expressly acknowledges and agrees that due to its receipt of a density bonus pursuant to AB 2222, as amended, in order to construct the

Project, it must comply with all provisions of California Government Code Section 65915, including but not limited to the obligation to provide replacement units, if applicable; and

WHEREAS, it is the intent of the parties that the Restricted Unit(s) herein, shall be continuously held as rental units, subject to the limitations, restrictions, covenants and conditions provided for in this Agreement for the benefit of the City, which is the owner of the public streets and areas adjoining the Property; and

WHEREAS, these provisions are for the purpose of enabling only Eligible Households to rent the Restricted Unit(s).

NOW THEREFORE, in consideration of the mutual covenants and representations herein contained, the parties hereto covenant, represent and agree as follows:

[Remainder of this page left intentionally blank]

1. Fundamental Provisions.

- (a) Property Address: 6226 North Colfax Avenue
Los Angeles, CA 91606
- (b) City Plan Case No.: Not applicable
- (c) Tentative Tract No.: Not applicable
- (d) Building Permit Application No.: 16010-10000-06426
- (e) Plan Check No.: B16LA20819
- (f) Total Number of Residential Unit(s) at the Project: 41
- (g) Total Number of Restricted Unit(s) at the Project: 4 (upon initial rental - must be Unit Nos.: #2-4, #2-7, #3-5, and #3-10)
- (h) Total Number of Senior Unit(s) at the Project: Not applicable
- (i) Allocation of Restricted Unit(s) at the Project:

VERY LOW INCOME HOUSEHOLDS
(Schedule 6)

*HCD Very Low					
Bedroom Size	Total # Units In Project	Total Number of Restricted Unit(s)	Unit Nos.	Square Feet**	Location In Project
THREE	41	4	#2-4	1,171	South side
			#2-7	1,114	East side
			#3-5	1,117	South East side
			#3-10	1,114	North side
TOTAL:	41	4			

*California Department of Housing and Community Development ("HCD")

**Restricted three (3) bedroom units must be no less than 1,113 square feet in size

- (j) Owner's Contact Information for Notices: (k) Owner's Representative:

No Ho Urban Apartment, LLC 6603 Independence Avenue Unit D Canoga Park, CA 91303 Sam Afghani, Owner Phone: (818) 710-0201 Email: samafco@yahoo.com	Matt Gifani AFco Construction 6603 Independence Avenue Unit D Canoga Park, CA 91303 Phone: (818) 710-0201 Email: mgifani@afcoconstruction.com
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2. Definitions.

For purposes of this Agreement, the terms listed below shall have the meanings hereinafter specified.

(a) Agreement. "Agreement" means this "Rental Covenant Agreement Running with the Land" between the City and the Owner.

(b) Eligible Household. "Eligible Household" means a household that qualifies as a "Very Low Income Household" whose eligibility has been certified by the Department. For reference purposes, the eligibility income requirements are enumerated in Exhibit "B," attached hereto and incorporated herein by this reference. However, if a previously approved Eligible Household is later determined to have a Household Income increase of no greater than one hundred and twenty percent (120%) of the area median income, as enumerated in Exhibit "B," the previously approved Eligible Household shall continue to be considered an Eligible Household for purposes of this Agreement.

(c) Existing Project. "Existing Project" refers to the existing church, which the Owner plans to demolish and replace with the Project.

(d) Household Income. "Household Income" means the current gross amount of income of all adult household members that is anticipated to be received during the coming twelve (12)-month period, including the income of temporarily absentee family members, welfare assistance payments, and other such criteria determined in accordance with the definition of Annual Income found in 24 CFR 5.609, formerly referred to as the Section 8 definition of income.

(e) Immediate Family. "Immediate Family" includes domestic partner and/or those persons related by blood, marriage and or adoption, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, his or her significant other, and his or her domestic partner.

[Remainder of this page left intentionally blank]

(f) Income Adjustment Factor. The "Income Adjustment Factor" is used to establish the maximum monthly Rent to be paid by an Eligible Household per Restricted Unit. The "Income Adjustment Factor" shall be the following figures based upon the corresponding number of persons in the household in a Restricted Unit, as periodically published by the U.S. Department of Housing and Urban Development ("HUD"):

<u>Persons in Household</u>	<u>Income Adjustment Factor</u>
1	0.7
2	0.8
3	0.9
4	1.00
5	1.08
6	1.16
7	1.24
8	1.32

(g) Median Income. "Median Income" is based on the County of Los Angeles Median Income, as determined by the California Department of Housing and Community Development ("HCD") and published periodically, and adjusted by household size.

(h) Net Median Income. "Net Median Income" is defined as Median Income adjusted for expenses and taxes by the Department or its successor to reflect state and federal income tax requirements.

(i) Owner. "Owner" means each person or entity holding a record ownership interest in the Property, their successors and assignees, transferees, heirs, executors, administrators, or duly authorized agents. Owner shall not include persons or entities who/which hold an interest merely as security for the performance of an obligation. Owner shall not include persons or entities after they have ceased to hold a record ownership interest in the Property.

(j) Project. "Project" refers to the new three (3) story, forty-one (41) unit apartment building over a one (1) story garage that the Owner is going to develop on the Property to replace the Existing Project.

(k) Property. "Property" means that certain real property and the Project to be situated thereon, located at and commonly known as 6226 North Colfax Avenue, in the City of Los Angeles, County of Los Angeles, State of California, which address is set forth in Section 1(a) hereof, and whose legal description is set forth in Exhibit "A."

(l) Rent. "Rent" means the consideration, including any bonus, benefits, or gratuity, demanded by or received by the Owner for, or in connection with: (1) the use or occupancy of a housing unit and land and facilities associated therewith, (2) any separately charged fees or service charges assessed by the Owner which are required of all tenants, other than security deposits, (3) a reasonable Utility Allowance, and (4) possessory interest, taxes, or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than the Owner. (1), (2), (3) and (4) shall be an average of estimated costs for the next twelve (12) months. The maximum monthly Rent to be paid by an Eligible Household per Restricted Unit, including (1), (2), (3) and (4) may not exceed thirty percent (30%) of fifty percent (50%) of the Net Median Income, as established by the Department from time to time to reflect HCD updates of Median Income estimates, divided by twelve (12), as set forth in Exhibit "B."

(m) Restricted Unit. "Restricted Unit" shall be a dwelling unit at the Project as set forth in Section 1(i) of the Fundamental Provisions, rented to an Eligible Household and wherein the maximum monthly Rent to be paid by an Eligible Household per Restricted Unit is as set forth in Exhibit "B." The Restricted Unit(s) shall initially be: **(1)** Unit #2-4, a three (3) bedroom unit, no less than 1,171 square feet in size, located on the South side of the Project, **(2)** Unit #2-7, a three (3) bedroom unit, no less than 1,114 square feet in size, located on the East side of the Project, **(3)** Unit #3-5, a three (3) bedroom unit, no less than 1,117 square feet in size, located on the South East side of the Project, and **(4)** Unit 3-10, a three (3) bedroom unit, no less than 1,114 square feet in size, located on the North side of the Project. Each Restricted Unit(s) shall be designed to harmonize with the other residential structures and units in the Project and shall be reasonably dispersed within the Project.

[Remainder of this page left intentionally blank]

(n) Utility Allowance. "Utility Allowance" means an amount designated by the Housing Authority for the City of Los Angeles, the California Utility Allowance Calculator method (for California Tax Credit Allocation Committee ("TCAC") funded projects), or CFR Section 92.252(d) (for HOME funded projects), as applicable, as a reasonable estimate of the cost of utilities for an Eligible Household for purposes of calculating the maximum Rent per Restricted Unit.

(o) Very Low Income Household. A "Very Low Income Household" is defined as a household whose Household Income is at or below the amount designated as "Very Low Income" for Los Angeles County by HCD, adjusted by household size.

3. Term.

The covenants and conditions contained herein shall run with and burden the Property for a period of fifty-five (55) years from the date of the Certificate of Occupancy or Certificate of Completion, if applicable, of the Project in accordance with the provisions hereof. However, in the event the Department determines the Owner is out of compliance with this Agreement, the Owner agrees to extend the fifty-five (55) year term by way of written amendment in accordance with the time the Owner has been determined to be out of compliance. The Owner shall expressly make the conditions and covenants in this Agreement a part of any deed or other instrument conveying any interest in the Property.

4. Compliance with Recitals:

Owner acknowledges and agrees that it has and/or will comply with any and all of its obligations under the Recitals and obey all laws.

5. Condominium Conversions.

The Owner shall not convert any Restricted Unit(s) to condominiums or cooperative ownership or sell condominium or cooperative conversion rights to any Restricted Unit(s) during the term of the Agreement.

6. Tenant Qualification.

Each Restricted Unit within the Project shall be reserved and rented for the purposes set forth in Section 1(i) to Eligible Households, and the maximum monthly Rent to be paid by an Eligible Household per Restricted Unit shall be established as set forth in Exhibit "B."

7. Tenant Self-Certification.

Before approving a tenant for tenancy in any Restricted Unit(s), Owner shall require each prospective tenant to certify under penalty of perjury that they are not: (a) an Owner, developer, or sponsor of the Property, (b) an officer, employee, agent or consultant, or elected or appointed official of an Owner, developer or sponsor of the Property; or (c) a member of the Immediate Family of any such person described in subsections (a) or (b). Owner shall not rent any Restricted Unit(s) to any said individuals. Any exceptions shall be requested in writing and are subject to consideration in accordance with applicable policies, procedures and regulations.

8. Rental Restrictions.

(a) Each Restricted Unit shall only be rented to Eligible Households. The maximum monthly Rent to be paid by an Eligible Household per Restricted Unit may not exceed thirty percent (30%) of fifty percent (50%) of the Net Median Income, as established by the Department from time to time to reflect HCD updates of Median Income estimates, divided by twelve (12), as set forth in Exhibit "B." Notwithstanding the formula herein set forth, the City Council reserves the right to change the Rent calculation formula and the constituent factors in its sole discretion.

(b) The maximum monthly Rent to be paid by an Eligible Household per Restricted Unit may be increased, when Median Income figures are increased, applying the formula set forth above in Section 8(a), but no more than one (1) time per year. **It is the responsibility of the Owner to contact the Department to receive the periodic changes in affordability restrictions.**

(c) The Owner agrees to notify the Department, in writing, when the Project is within thirty (30) days of issuance of a Certificate of Occupancy or Certificate of Completion, if applicable. In this same notification, if the allocation of Restricted Unit(s) in Section 1(i) above is no longer accurate, Owner further agrees to notify the Department and immediately execute an amendment to this Agreement so that Section 1(i) and any other provisions of this Agreement thereby affected, may be updated.

(d) The Owner agrees to notify the Department within thirty (30) days, in writing, each time any Restricted Unit(s) becomes vacant.

(e) The Owner shall make the selection of any Eligible Household to occupy a Restricted Unit(s), subject to certification of eligibility by the Department as required by Section 8(h) of this Agreement.

(f) Each Restricted Unit provided for under this Agreement shall be administered by the Owner, including tenant selection, lease-up, Rent collection, Property maintenance, and eviction procedures, among others.

(g) The Owner shall verify the prospective Eligible Households' eligibility using the Eligible Households' income tax records or other records deemed appropriate by the Department, and shall require from each Eligible Household, a statement that such Eligible Household's Income from all sources does not exceed allowable limits. This statement shall be signed by the Eligible Household under penalty of perjury. In the event that the prospective Eligible Household may be claimed as a dependent for purposes of another party's (such as parents) income taxes, in addition to the items mentioned above for the prospective Eligible Household, the same items must be produced for any party who may claim the prospective Eligible Household as a dependent.

(h) Prior to renting any Restricted Unit(s), the Owner shall request the Department to certify the eligibility of any prospective Eligible Household by submitting required documentation, as determined by the Department.

Note: If the Owner does not request the Department to certify the eligibility of a renter of a Restricted Unit, the renter shall not be considered an Eligible Household and may not reside in any Restricted Unit(s) unless and until they are certified by the Department as an Eligible Household.

(i) **Fees and Penalties.** In the event that the Owner fails to reasonably verify the prospective Eligible Household's eligibility (per Section 8(g)) and rent to tenants whose Household Income exceeds the permissible limits, the Owner agrees to pay to the Department, all Rents received for each day of occupancy by such unqualified tenants.

[Remainder of this page left intentionally blank]

(j) Within ten (10) business days of the complete submission of all required income eligibility documents, the Department will make every effort to furnish the Owner with:

- (1) A determination that the prospective renter is an Eligible Household; or
- (2) A determination that the prospective renter is not an Eligible Household; or
- (3) A statement that specified additional information is required to enable the Department to make its determination.

The time frame of ten (10) business days shall begin to run only upon the submission by the Owner of the full and complete required documents as specified by the Department.

Failure to hear from the Department within the aforementioned ten (10) business day period **DOES NOT** mean the prospective renter has been deemed approved. Owner must contact the Department for an update.

(k) **Repayment.** In the event the Owner charges an Eligible Household monthly Rent per Restricted Unit, above the applicable amounts specified in Exhibit "B" (or the then current maximum monthly Rent as updated by the Department to reflect HCD updates of Median Income estimates), the Owner agrees to repay the Eligible Household the difference between the monthly Rent charged and the maximum monthly Rent allowed in this Agreement for the period that the disallowed monthly Rent was being charged within ten (10) days of the Department's written request. Written proof of such repayment shall be provided to the Department within ten (10) days of such repayment.

(l) The Owner shall maintain books and records to the satisfaction of the Department which verify renter's eligibility, the Rents, and the proper maintenance of each Restricted Unit at the Project. Such books and records shall be made available for inspection by the Department at any time with two (2) business days' notice.

(m) On an annual basis, Owner shall provide the Department with a copy of an occupancy summary report showing the present occupants, Rent and size of each Restricted Unit(s) at the Project, and any other information which the Department requests

and which relates to the eligibility of these households. If the household size of a previously approved Eligible Household changes, the Owner is required to provide the Department with additional income documentation, if applicable, to determine eligibility. If a previously Eligible Household is later determined to no longer be an Eligible Household, as defined in Section 2(b):

If Eviction is Not Prohibited by Applicable Law: The Rent charged to the previously Eligible Household may be raised to market rates. At such time, if there is a vacant comparatively sized market rate unit at the Project, Owner shall provide a minimum of thirty (30) days notice to such previously Eligible Household granting the right of first refusal to rent the market rate unit at market rates, which right shall be effective for the duration of the thirty (30) days notice. If no such vacant market rate units are available, Owner shall evict the previously Eligible Household pursuant to the terms of its lease agreement (See Section 9(a)(3)), "Required Provisions for Lease Agreements") and immediately re-rent the Restricted Unit(s) to an Eligible Household.

If Eviction is Prohibited by Applicable Law: Such Restricted Unit(s) will continue to be treated as a Restricted Unit(s) until the next available unit(s) of comparable size and type (a restricted three (3) bedroom unit must be no less than 1,113 square feet in size) and comparable location, reasonably dispersed within the Project, is/are rented to an Eligible Household(s) who qualifies for a Restricted Unit. However, the Owner will be considered temporarily non-compliant with the terms of this Agreement until the no-longer Eligible Household vacates the Restricted Unit and it is re-rented to an Eligible Household or a replacement Restricted Unit(s) is rented to an Eligible Household.

(n) **Fees.** On a date designated by the Department and annually on that date thereafter, the Owner agrees to reimburse the Department, \$173.00 annually per Restricted Unit to offset the cost of performing the duties and responsibilities of this Agreement.

(o) If at any time, beginning immediately after the date of the notice described in Section 8(d), a Restricted Unit(s) offered for rent remains vacant for a continuous period of two (2) months, the Department may refer to the Owner, Eligible Households interested in renting such Restricted Unit(s). If the Department makes such referrals to the Owner and in the judgment of the Department the Owner refuses to rent to such Eligible Households without good reason, the Department may exercise its right to place the Eligible Household

of its choice in the Restricted Unit(s). The Owner shall continue to be responsible for compliance with all of the terms of this Agreement.

(p) If the Property is transferred in any manner or is acquired at a foreclosure sale under any deed of trust or mortgage encumbering the Property and/or improvements thereon or by deed in lieu of foreclosure prior to the time the Restricted Unit(s) are constructed, title to the Property shall be taken subject to the limitations provided for herein.

(q) If the Restricted Unit(s) are transferred in any manner or are acquired at a foreclosure sale under any deed of trust or mortgage encumbering the Restricted Unit(s) or by a deed in lieu of foreclosure, then the transferee, as Owner, shall be subject to all the conditions, limitations and restrictions provided for in this Agreement.

9. Required Provisions for Rental or Lease Agreements for Restricted Units.

For Restricted Units, Owner shall use a form of rental or lease agreement, subject to the review and approval by the Department, which shall:

(a) Provide for termination of the rental or lease agreement and consent by a tenant to immediate eviction for failure: (1) to provide any information required by this Agreement or reasonably requested by the Owner to establish or re-certify the tenant's income qualification or the income qualification of the tenant's household for occupancy of a Restricted Unit in accordance with the standards set forth in this Agreement or (2) to qualify as an Eligible Household as applicable, as the result of any material misrepresentation made by such tenant(s) with respect to their income computation or certification; or (3) if not prohibited by applicable law, in the event tenant no longer qualifies as an Eligible Household as defined in Section 2(b).

(b) Prohibit the subleasing of any Restricted Unit (this includes listing any Restricted Unit(s) for vacation/short-term rental on Airbnb or like websites); and

(c) Permit the termination of an existing tenancy or an eviction only upon good cause. Good cause includes the non-payment of Rent, any of the events in Section 9(a) above, repeated violation of the terms or conditions of the rental agreement or lease agreement, or violations of applicable federal, state or local law.

10. Utilization of Affordable Units.

(a) **Full Utilization.** Each Restricted Unit required to be provided by this Agreement shall be leased or rented (i.e., the Restricted Unit(s) shall not be withdrawn from the market) and fully utilized in a manner consistent with the Space and Occupancy Standards set forth in the Los Angeles Municipal Code, Chapter IX, Article 1, and the Uniform Housing Code, Chapter V.

(b) The Owner agrees to: (1) maintain and operate each Restricted Unit so as to provide decent, safe, and sanitary housing; and (2) provide each Restricted Unit with the same level of services (including security), amenities, and maintenance as is provided to the other dwelling units on the Property. Such amenities that are provided households of un-Restricted Unit(s) may include, but are not limited to, access to recreational facilities, parking, cable TV, and interior amenities such as dishwashers and microwave ovens. Optional services provided must be optional for all residents, and available to all under the same terms and conditions. At the commencement of each Eligible Household's respective lease for a Restricted Unit, all non-purchased incentives being offered to un-Restricted Unit(s), such as free parking, must be equally offered to each Eligible Household. However, any promotional non-purchased incentives offered to new tenants after commencement of an existing lease need not be offered to existing tenants, but must be equally offered to new tenants of both Restricted Unit(s) and un-Restricted Unit(s).

11. Annual Determinations.

Upon initial occupancy of each Restricted Unit, and at least annually thereafter, the Owner shall determine and certify the Household Income of each Eligible Household. If a previously Eligible Household is later determined to no longer be an Eligible Household as defined in Section 2(b), refer to Section 8(m) above.

12. Right to Inspect.

The Department reserves the right to visit the Property and inspect each Restricted Unit for satisfactory compliance with this Agreement, any conditions of approval of the Project imposed by the Planning Department, City ordinances and requirements as applicable, and the City's Guidelines for the Affordable Housing Incentives Program. For routine inspections, five (5) business days written notice (counted from the date of the notice) will be provided to the Owner via U.S. Mail.

13. Federal and State Laws.

Notwithstanding the above provisions, nothing contained herein shall require the Owner or the City to do anything contrary to or refrain from doing anything required by Federal and State laws and regulations promulgated thereunder applicable to the construction, management, maintenance, and rental of the Restricted Unit(s). Owner further expressly agrees to obey all applicable laws as to the Property, including, but not limited to the California Building Code, the Americans with Disabilities Act, and Title VIII of the Civil Rights Act as amended in 1988 by the Fair Housing Amendments Act.

14. Binding on Successors and Assigns.

This Agreement shall be an equitable servitude and a covenant running with the land as a burden on the Property, shall be binding upon the Owner and its successors and assigns in ownership of the Property and shall be binding upon and inure to the benefit of the City and its successors and assigns in the ownership or administration of the adjacent public streets. The City reserves the right to designate another public agency to perform the City's obligations or to exercise the City's rights under this Agreement.

15. Prohibition Against Discrimination.

The Owner shall not discriminate against any tenant or potential tenant on the basis of race, color, religion, creed, sex, age, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, genetic information or medical condition, including the actual or perceived affliction of AIDS or the HIV virus.

16. Affirmative Marketing of the Property.

For purposes of initial rental of each Restricted Unit, and for purposes of re-rental each time any Restricted Unit(s) becomes vacant, the Owner shall make reasonable efforts to advertise to Eligible Households and encourage their participation in applying for and occupying a Restricted Unit by immediately advertising the availability of any Restricted Unit(s) on the internet-based City of Los Angeles Housing Resource Center at <http://housing.lacity.org>.

17. Enforcement Provisions.

The parties hereto, or their respective successors, heirs or assigns may enforce any of the terms, covenants or conditions contained in this Agreement through any proceedings

allowed at law or in equity. They may commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provision of this Agreement. Any remedy provided for herein shall not be exclusive or preclude the parties hereto or their respective successors, heirs and assigns from exercising any other remedy available under this Agreement, or under provisions of law, nor shall any action taken in the exercise of any remedy be deemed a waiver of any right or remedies available to such parties. It is understood and agreed that no waiver of a breach of any of the provisions of this Agreement shall be construed as a waiver of any other breach; nor shall failure to enforce any portion of this Agreement be construed as a waiver of any of the conditions of this Agreement.

18. Administrative.

The General Manager of the Department or the General Manager's designee shall have the authority to act on behalf of the Department in carrying out the Department's obligations under this Agreement.

19. Notices.

All notices required under this Agreement shall be sent to the Owner at the address set forth in Section 1(j), and to the City represented by the:

**LOS ANGELES HOUSING AND COMMUNITY INVESTMENT DEPARTMENT
1200 W. 7TH STREET, 8TH FLOOR
LOS ANGELES, CA 90017
ATTENTION: ENVIRONMENTAL AFFAIRS OFFICER
PLANNING AND LAND USE SECTION**

Any party may change the address to which notices are to be sent by notifying the other parties of the new address in the manner set forth above.

20. Authority.

Each party to this Agreement hereby represents and warrants that each person executing this Agreement on behalf of a party has the right, power, legal capacity and authority to enter into and perform under the Agreement, that no approval or consent of any other persons are necessary and that the Agreement constitutes a valid and binding obligations of such party, enforceable against such party in accordance with its terms.

21. Recording of Agreement.

The parties hereto shall cause this Agreement to be recorded in the Official Records of the County of Los Angeles.

22. Third-Party Right of Enforcement.

Pursuant to Ordinance No. 179681, effective April 15, 2008, which amended applicable provisions of the Los Angeles Municipal Code to implement a revised Density Bonus program as required by State law, the terms and provisions of this Agreement may be enforced by the City, any tenant of a Restricted Unit or Owner.

23. Governing Law.

This Agreement shall be interpreted under and be governed by the laws of the State of California.

24. Counterparts.

This Agreement may be executed in counterparts, each of which, when the parties hereto have signed this Agreement, shall be one and the same instrument.

25. Entire Agreement.

The provisions herein constitute the entire agreement between the parties hereto. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party or anyone acting on behalf of any party, which are not embodied herein, and that any other agreement, statement, or promise not contained in this Agreement shall not be valid or binding except more restrictive agreements. This Agreement may be amended only by a written instrument signed by both the City and the Owner.

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF, the City and the Owner have caused this Agreement to be executed by its duly authorized representatives:

APPROVED AS TO FORM:
MICHAEL N. FEUER, City Attorney

Executed this 15th day of August, 2017

By: Michael Feuer
Deputy City Attorney

For: THE CITY OF LOS ANGELES

RUSHMORE D. CERVANTES
General Manager
Los Angeles Housing and Community
Investment Department

Date: 8-18-17

By: [Signature]
RUSHMORE D. CERVANTES
Its: General Manager

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By: [Signature]
Deputy City Clerk



Executed this 2nd day of August, 2017

For: OWNER

NO HO URBAN APARTMENT, LLC
a California limited liability company

Date: 8-21-17

By: [Signature]
MAC S. AFGHANI
Its: Member and Co-Manager

(Contractor Corporate Seal)

Council File Number:

Date Council Adopted:

By: [Signature]
SAM S. AFGHANI
Its: Member and Co-Manager

Said Agreement is Number
C-129382
of City Contracts

**SIGNATURES MUST BE NOTARIZED
FOR RECORDING**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

CIVIL CODE §1189

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

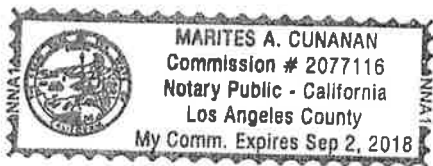
STATE OF CALIFORNIA)

COUNTY OF LOS ANGELES)

On August 15, 2017 before me, MARITES A. CUNANAN, Notary Public, personally appeared RUSHMORE D. CERVANTES, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



Signature

A handwritten signature in cursive script, appearing to read "Marites A. Cunanan".

Signature of Notary Public

Place Notary Seal Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)
County of LOS ANGELES)
On AUGUST 2, 2017 before me, RAYMOND J. SCHMICKEL NOTARY PUBLIC
Date Here Insert Name and Title of the Officer
personally appeared MAC S. AFGHANI
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature Raymond J. Schmickel
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)
County of LOS ANGELES)

On AUGUST 2 2017 before me, RAYMOND J. SCHMICKEL, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer

personally appeared SAM S. AFGHANI
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature Raymond J. Schmickel
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

EXHIBIT "A"

LEGAL DESCRIPTION

(6226 North Colfax Avenue, Los Angeles, CA 91606)

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

Those portions of Lot 6 in Block 2 of Tract No. 2406, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 23, Page 59 of Maps, in the Office of the County Recorder of Said County, described as follows:

Parcel 1:

Beginning at a point in the West line of said Lot 6, distant 197.10 feet South from the Northwest corner of said Lot; thence East parallel with the South line of said Lot, 128.96 feet to a point in the Easterly line of said Lot; thence Southeasterly along said Easterly line of said Lot, 55.90 feet; thence West parallel with the South line of said Lot, 154 feet to a point in the West line of said Lot; thence North along said West line of said Lot, 50 feet to the point of beginning.

Parcel 2:

Beginning at a point in the West line of said Lot 6, distant 247.10 feet South from the Northwest corner of said Lot; thence East parallel with the South line of said Lot, 154 feet to a point in the Easterly line of said Lot; thence Southeasterly along said Easterly line of said Lot, 55.90 feet; thence West parallel with the South line of said Lot, 179.02 feet to a point in the West line of said Lot; thence North along said West line of said lot, 50 feet to the point of beginning.

Parcel 3:

Beginning at a point in the West line of said Lot 6, distant 297.10 feet South From the Northwest corner of said lot; thence East parallel with the South line of said Lot, 179.02 feet to a point in the Easterly line of said Lot; thence Southeasterly along said Easterly line of said Lot, 55.90 feet to the Southeast corner thereof; thence West along the South line of said Lot, 204.14 feet to the Southwest corner of said lot; thence North along the West line of said Lot, 50 feet to the point of beginning.

Parcel 4:

That portion of Lot 7 of Block 2 of Tract No. 2406, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 23, Page 59 of Maps, in the office of the County Recorder of said County, described as follows:

Beginning at that Northwest corner of said Lot; thence along the West line of said Lot, South 0 degrees 06 minutes 05 seconds East 50.00 feet, more or less, to the North line of the South 129.00 feet of said Lot; thence along said North line and its Easterly prolongation, North 88 degrees 51 minutes 55 seconds East 200.00 feet, more or less, to the Northeast corner of the land described in the Deed to the Victory Boulevard Church of Christ, recorded February 23, 1943, as Instrument No. 200 in Book 10863, Page 41 of Official Records; thence along the Easterly line of the land described in said Deed, South 0 degrees 06 minutes 05 seconds East to the North line of the land described in the Deed to William D. Bradt, a widower, recorded October 14, 1942, as Instrument No. 22, in Book 19568, Page 339, of Official Records; thence along said North line, North 88 degrees 51 minutes 55 seconds East to the Easterly line of said Lot; thence along said Easterly line, North 27 degrees 41 minutes 25 seconds West 55.90 feet, more or less, to the Northeast corner of said Lot, thence along the North line of said Lot, South 88 degrees 51 minutes 55 seconds West 204.14 feet to the point of beginning.

APN: 2335-032-012

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EXHIBIT "B"

**2016 AFFORDABILITY SCHEDULE – VERY LOW
SCHEDULE VI – HCD
Effective August 1, 2016**

MAXIMUM ALLOWABLE MONTHLY RENT TO BE PAID BY AN ELIGIBLE HOUSEHOLD PER RESTRICTED UNIT
30% of 50% of AMI
<u>THREE BEDROOM</u> \$777

MAXIMUM ALLOWABLE INCOME LEVELS		
Household Size	50% of AMI at initial move-in	120% at recertification
1	\$30,400	\$54,450
2	\$34,750	\$62,200
3	\$39,100	\$70,000
4	\$43,400	\$77,750
5	\$46,900	\$83,950
6	\$50,350	\$90,200
7	\$53,850	\$96,400
8	\$57,300	\$102,650

This table is subject to change to reflect HCD updates of Income estimates