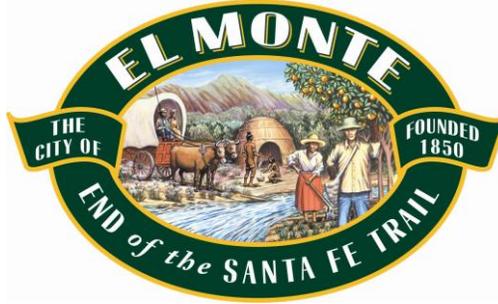


**LOCATION:**  
EL MONTE COMMUNITY  
CENTER  
3130 N. Tyler Avenue  
El Monte, CA 91731



**DATE AND TIME:**  
Tuesday, December 8, 2015  
6:00 p.m.

# **SPECIAL MEETING AGENDA OF THE CITY COUNCIL OF THE CITY OF EL MONTE and THE EL MONTE HOUSING AUTHORITY**

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**COUNCILMEMBERS/AUTHORITY MEMBERS:**

*Andre Quintero, Mayor  
Victoria Martinez, Mayor Pro Tem ♦ Juventino "J" Gomez, Councilmember  
Norma Macias, Councilmember ♦ Jerry G. Velasco, Councilmember*

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**1. CALL TO ORDER OF SPECIAL MEETING:**

**2. ROLL CALL FOR CITY COUNCIL:**

Andre Quintero, Mayor/Chair  
Victoria Martinez, Mayor Pro Tem/Authority Member  
Juventino "J" Gomez, Councilmember/Authority Member  
Norma Macias, Councilmember/Authority Member  
Jerry G. Velasco, Councilmember/Authority Member

**3. APPROVAL OF AGENDA:**

**4. INVOCATION:**

**5. FLAG SALUTE:** Queen Rachel Leon, Miss Friendly El Monte/South El Monte 2015  
Council recognition to Queen Rachel Leon

**6. SPECIAL MEETING PUBLIC COMMENT REGARDING AGENDIZED MATTERS ONLY:**

As provided under **Government Code Section 54954.3**, this time has been set aside for persons in the audience to provide comment or make inquiries on matters appearing on this **Special Meeting agenda only**. Although no person is required to provide their name and address as a condition to attending a meeting, persons who wish to address the body are asked to state their name and address. Each speaker will be limited to three (3) continuous minutes. Speakers may not lend any portion of their speaking time to other persons or borrow additional time from other persons. All comments or queries presented by a speaker shall be addressed to the body as a whole and not to any specific member thereof. No questions shall be posed to any member of the body except through the presiding official of the meeting, members of the body are under no obligation to respond to questions posed by speakers but may provide brief clarifying responses to any comment made or questions posed. The body may not engage in any sort of prolonged discussion or deliberation with any speaker or group of speakers on matters that are not listed on this Special Meeting agenda.

*Enforcement of Decorum:* The Chief of Police of the City of El Monte, or such member, or members of the Police Department as the Chief of Police may designate, shall serve as the Sergeant-at-Arms of the meeting. The Sergeant-at-Arms shall carry out all orders and instructions given by the presiding official for the purpose of maintaining order and decorum at the meeting. While members of the public are free to level criticism of policies and the action(s) or proposed action(s) of the body or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including, but not limited to, conduct that prevents other members of the public from being heard when it is their opportunity to speak or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. All persons attending the meeting must adhere to policies barring harassment based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, sexual orientation or age.

**7. PUBLIC HEARING**

**7.1 MERCY HOUSING CALIFORNIA PROPOSED BALDWIN AND ROSE AFFORDABLE VETERANS HOUSING PROJECT REPORT – CONSIDERATION OF A DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE EL MONTE HOUSING AUTHORITY AND MERCY HOUSING CALIFORNIA (MERCY HOUSING VETERANS FAMILY HOUSING PROJECT)**

RECOMMENDATION OF BUSINESS ITEM UNDER CONSIDERATION:

It is recommended that the City Council:

1. Open the public hearing;
2. Receive presentation by City staff;
3. Pose questions to City staff;
4. Receive comments from interested members of the public;
5. Pose follow up questions to City staff;



**City Council Special Meeting of December 8, 2015**

6. Close the public hearing and if it is the desire of the City Council:
7. Adopt a Resolution of the El Monte Housing Authority approving the 2015 El Monte Housing Authority Disposition and Development Agreement by and between the El Monte Housing Authority and Mercy Housing California (Mercy Housing Veterans Family Housing Project).

Resolution No. HA-14

**8. PRESENTATIONS:**

- 8.1 **Presentation by the California Highway Patrol to the El Monte Police Department for its Participation in the California Law Enforcement Challenge.**
- 8.2 **Presentation to El Monte Police Officers Receiving Life Saving Awards: Dispatcher Jessica Bejarano, Officer Ron Danison and Officer Ralph Batres.**
- 8.3 **Presentation to El Monte Manchester United Soccer Teams 3<sup>rd</sup> Division Co-Ed Team “Field Soccer League Sub-Championship 2015 Tercera Division” and – U16 Boys Team – 2015 Indoor Soccer League Champions U16 Division.**
- 8.4 **Presentation to Our Lady of Guadalupe Soccer Teams 3<sup>rd</sup> Division Co-Ed Team “3<sup>rd</sup> Place League Cup Soccer Champions” and 4<sup>th</sup> Division “League Cup Soccer Champions”.**
- 8.5 **Presentation to the El Monte Parks and Recreation Teen Sports 7<sup>th</sup> and 8<sup>th</sup> Grade Lambert Park Flag Football Champions.**
- 8.6 **Presentation to El Monte Parks and Recreation Youth Sports 5<sup>th</sup> and 6<sup>th</sup> Grade Mountain View Park Flag Football Champions.**
- 8.7 **Presentation to Young Adults of the Art Movement.**
- 8.8 **Presentation to Boys Scout Troop 551 for Winning First Place in Summer 2015 Camporee.**
- 8.9 **Presentation to AMR (American Medical Response) for their Continued Support at City Activities.**
- 8.10 **Presentation to the Children’s Day Parade Committee.**
- 8.11 **Presentation to the El Monte High School Honors Club Leos and Laurels for their Volunteer Work on the Holiday House.**
- 8.12 **Presentation to Long Time Resident Chuck Neilson on the Celebration of his 90<sup>th</sup> Birthday.**



***City Council Special Meeting of December 8, 2015***

- 8.13 Presentation to the Holiday House Committee.**
- 8.14 Presentation to Jennifer Nummelin for 21 Years of Service to the City of El Monte as a Social Worker at our Senior Center.**
- 8.15 Presentation to Michele Quiroz for 16 Years of Service to the City of El Monte in Various Capacities and Departments throughout her Career.**
- 8.16 Presentation to Mario Galindo for 29 Years of Service to the City of El Monte as a Public Works Maintenance Worker.**

**9. ADJOURNMENT:**

The next Special City Council meeting honoring our community and deserving individuals will be held on March 8, 2016 at 6:00 p.m. at the El Monte Community Center. The next Regular Meeting of the City Council will be held on December 15, 2015 at 6:00 p.m. at El Monte City Hall. This Agenda will be posted on the City's website, [www.ci.el-monte.ca.us](http://www.ci.el-monte.ca.us), and physically posted no less than 72 hours prior to the start of the subject regular meeting. Although it is the City's practice and desire to electronically post a copy of this Agenda along with supporting material as part of its website posting, the size or formatting of certain supporting materials may render their website posting infeasible. Nevertheless, all supporting materials related to any item on this Agenda, that is made available to the members of the council may be inspected by members of the public at the City Clerk's Office located at 11333 Valley Boulevard, El Monte, Monday through Thursday, 7:00 am – 5:30 pm. For more information, please call the City Clerk's Office at 626-580-2016

All public meetings and events sponsored or conducted by the City of El Monte are held in sites accessible to persons with disabilities. Requests for accommodations may be made by calling the office of the City Clerk at (626) 580-2016 at least three (3) working days prior to the event, if possible. This Agenda and copies of documents distributed at the meeting are available in alternative formats upon request.

***Posted: December 7, 2015 at 6:00 p.m.***





# **CITY OF EL MONTE**

*ECONOMIC DEVELOPMENT DEPARTMENT*  
HOUSING AUTHORITY AGENDA REPORT

EL MONTE HOUSING AUTHORITY SPECIAL MEETING OF DECEMBER 8, 2015

DECEMBER 3, 2015

Honorable Housing Authority Chairperson and Board Members  
City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Honorable Chairperson and Board Members of the El Monte Housing Authority:

**MERCY HOUSING CALIFORNIA PROPOSED BALDWIN AND ROSE AFFORDABLE VETERANS HOUSING PROJECT REPORT – CONSIDERATION OF A DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE EL MONTE HOUSING AUTHORITY AND MERCY HOUSING CALIFORNIA (MERCY HOUSING VETERANS FAMILY HOUSING PROJECT)**

**IT IS RECOMMENDED THAT THE HOUSING AUTHORITY TAKE THE FOLLOWING ACTION:**

1. Open the public hearing;
2. Receive presentation by City staff;
3. Pose questions to City staff;
4. Receive comments from interested members of the public;
5. Pose follow up questions to City staff;
6. Close the public hearing; and if it is the desire of the El Monte Housing Authority:
7. Adopt a Resolution of the El Monte Housing Authority approving the 2015 El Monte Housing Authority Disposition and Development Agreement by and between the El Monte Housing Authority and Mercy Housing California (Mercy Housing Veterans Family Housing Project).

### **PURPOSE OF RECOMMENDED ACTION**

One of the goals of the El Monte Housing Authority (the “HA”) is to provide workforce housing opportunities to all segments of its population. Beginning in March 2015, City staff was authorized by the City Council/Housing Authority to initiate discussions with ACE regarding the exclusive right for the City serving as the HA to negotiate a public

benefit transfer from ACE to the HA of the remnant parcels resulting from the completion of the Baldwin Grade Separation Project (the "Property") located on the east and west sides of Baldwin Avenue between Rose Avenue and the Union Pacific Railroad (UPRR). Attachment 1 is a Site Parcel Map showing the various land parcels constituting the Property. At the same time the City Council/Housing Authority authorized staff to engage in discussions with Mercy Housing California (the "Developer") regarding a proposal by the Developer to enter into exclusive negotiation with the HA for the Developer to acquire the Property from the City.

The purpose of the acquisition of the property by the HA from ACE and the transfer to the Developer is for the development of an affordable veterans housing project. The preliminary project concept is a 55-unit rental housing complex designed to provide housing configurations ranging from one (1) to three (3) bedrooms reserved for Veterans and families with qualifying income and status (the "Project"). To provide a continuum of management services and resident support, the Project will reserve one (1) unit for a full time onsite manager and will include various onsite supportive, social, and training services to onsite residents.

To date, the Housing Authority has taken the following actions in pursuit and support of the Project and the actions include:

1. Entered into a Financing and Cooperation Agreement with the City to loan \$750,000 in funds to the Housing Authority for the purpose of construction of new workforce rental housing to income qualified Veterans and families (Attachment 2).
2. Entered into an Agreement of Purchase and Sale and Joint Escrow Instructions in the amount of \$2,660,000 by and between the HA and ACE to acquire the Property (Attachment 3). The proposed purchased price represents a significant write down (-\$2,670,000) approved by the ACE Board from the fair market appraised value of \$5,330,000. The ACE Board approved the price based on the understanding that the proposed transfer will be a public benefit transfer and will facilitate the production of an affordable housing development serving veterans and families in the region.
3. Executed the updated form of the 2015 Housing Authority MOU between the City and the Developer that was previously approved by the HA on June 16, 2015. The MOU included the need for the Developer and the City to assemble and commit certain affordable rental housing financial assistance to support the Veterans Family Housing Project and the requirements of all applicable City ordinances, resolutions, regulations or other laws or approvals in all aspects (planning, design, construction, management and occupancy) of developing and operating the Veterans Family Housing Project (Attachment 4).

The consideration of the draft 2015 Housing Authority Disposition and Development Agreement (DDA), see Attachment 5, is appropriate and necessary at this time to facilitate the transfer of the property from the HA to the Developer subject to the satisfaction of the conditions set forth at Section 205.1, 205.2 and 205.3 of the DDA, in

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order for the Developer to develop the Project. With the approval of the DDA by the Housing Authority, the Developer is able to demonstrate site control and will be able to pursue grant and tax credit funding opportunities from Federal, State, and County granting agencies.

### **PROPOSED DEVELOPMENT AND DISPOSITION AGREEMENT**

In the proposed transaction, the HA functions both as a conduit for the site acquisition from ACE as well as a lending agency by providing residual receipt loans to support the Project. The key components of the transaction are as follows:

1. The HA shall acquire the Site from ACE pursuant to the terms of the ACE Purchase Agreement for the sum of \$2,660,000, payable by the HA to ACE in cash which the HA shall obtain from the Developer;
  2. Concurrently with the acquisition of the Site, the HA shall transfer title of the Site to the Developer for the sum of \$2,660,000 for the purpose of the Developer undertaking the development and cooperation of the Project on the Site;
  3. The HA shall also provide the Developer with the Authority Financial Assistance in support of the Project, as a series of affordable rental housing assistance loans which are each repayable by the Developer to the HA from a portion for the rental income of the Project;
  4. The Authority Financial Assistance has the following elements:
    - (i) Development Project Loan: \$250,000 (See: Section 405 of the 2015 Housing Authority DDA);
    - (ii) Development Project Mitigation Fee Loan: Not to exceed \$500,000 (See: Section 407 of the 2015 Housing Authority DDA); and
    - (iii) The "Land Cost Donation" of the Authority to the Developer which is the difference between the Purchase Price payable by the Developer to the Authority and the fair market value of the Site as confirmed by an appraisal of the value of the Site.
  4. The Developer shall repay the HA the aggregate amount of the Authority Financial Assistance (\$750,000) at 2% interest per annum from a portion of the Residual Receipts of the Project during the term of the "Affordability Period" of the Project;
  5. The Developer shall undertake the acquisition, financing, construction and operation of the Project as an affordable rental housing development reserved for occupancy at affordable rents during the Affordability Period (55 years) for Veterans, all as provided in the 2015 Housing Authority DDA.
-

### **ENVIRONMENTAL COMPLIANCE**

It is recommended that the HA find, based on current information, that no further environmental review of the Veterans Family Housing Project is required because the Project is exempt from the California Environmental Quality Act ("CEQA") under the low-income housing exemption set forth in Section 21159.23 of CEQA (Pub. Res. Code Section 21000 et seq.), and the affordable housing categorical exemption set forth in Section 15194 of the CEQA Guidelines, based on the following, *inter alia*: the land area of the Site is less than five (5) acres and the Site has previously been developed for urban uses and is adjacent to urban uses, and consists of less than 100 affordable dwelling units.

### **FISCAL IMPACT**

The City has access to various potential funding sources to loan the HA for the creation of affordable housing units within the City. These funds will be derived from various City sources to facilitate the creation of affordable housing units within the City. The funding sources include the HOME Program, the Local Housing Set Aside Low Mod Fund balance from the former Redevelopment Agency, the Local Housing Trust Fund, and the deferral of certain entitlement and development impacts fees as well as partial deferral of certain permit and plan review fees. These funding sources will be provided to the Developer in the form of a low interest (2% per annum) residual receipt loan to be repaid over a 55 year term with the loan amounts as follows:

- a. A Development Loan of a principal amount of \$250,000; and
- b. A Development Project Mitigation Fee Loan of a principal amount not to exceed \$500,000.

### **PROJECT GRANT FUNDING STATUS**

The Developer was informed on December 1, 2015, that the Los Angeles County Community Development Commission will award approximately \$2,015,750 in the form of a low interest residual receipt loan to the project under the LACDC NOFA 21. On December 14, 2015, the Developer will also be applying to the State Department of Housing and Community Development (HCD) for approximately \$2,315,570 in grant funding for the Project under Prop 41 (Veterans Housing and Homeless Prevention Bond, 2014).

### **ADDITIONAL ATTACHMENTS**

The Pro Forma for the Project is attached as Attachment 6 and the proposed Housing Authority Resolution is attached to this report as Attachment 7.

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**CONCLUSION**

There is a critical shortage of permanent supportive housing with support services to Veterans and low income families within the City of El Monte and Los Angeles County. The El Monte Housing Authority is committed to making this Project a reality and the completion of this proposed housing development will have both a local and regional benefit in terms of satisfying a significant housing need within San Gabriel Valley and Los Angeles County.

It is respectfully requested that the governing board of the El Monte Housing Authority adopt a Resolution of the El Monte Housing Authority approving the 2015 El Monte Housing Authority Disposition and Development Agreement by and between the El Monte Housing Authority and Mercy Housing California (Mercy Housing Veterans Family Housing Project).

Respectfully submitted,

JESUS M. GOMEZ  
City Manager

ALEXANDER HAMILTON  
Assistant City Manager

MINH THAI  
Economic Development Director

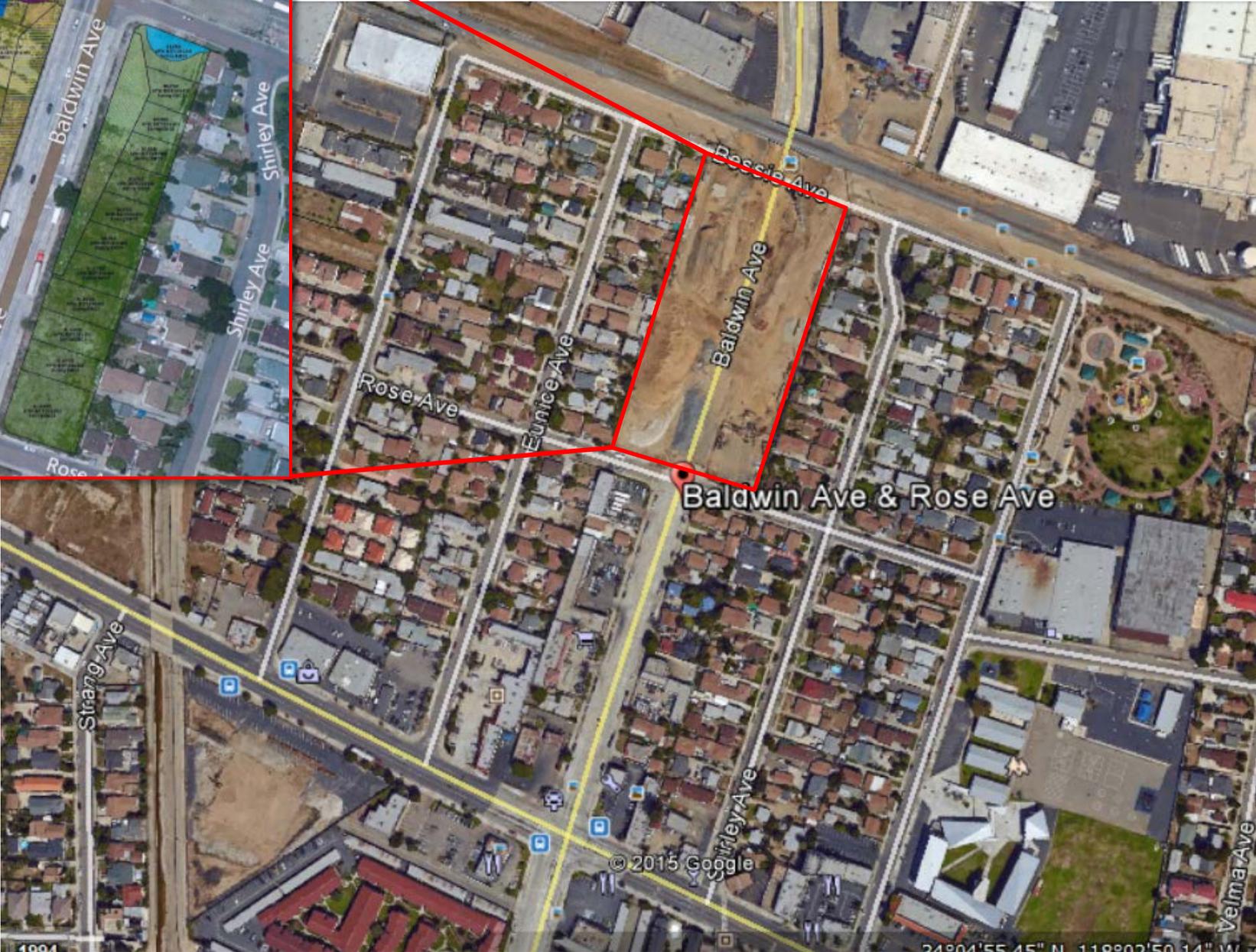
Attachment(s):

1. Attachment 1 is a Site Parcel Map showing the various land parcels constituting the Property
2. 2015 Affordable Rental Housing Development Cooperation and Financing Agreement
3. Purchase and Sale Agreement between the HA and ACE
4. 2015 Memorandum of Understanding and Exclusive Negotiating Agreement
5. 2015 Housing Authority DDA
6. Development Project Pro Forma
7. Housing Authority Resolution

DATE: DECEMBER 8, 2015
PRESENTED TO EL MONTE HOUSING AUTHORITY
<input type="checkbox"/> APPROVED
<input type="checkbox"/> DENIED
<input type="checkbox"/> PULLED
<input type="checkbox"/> RECEIVED AND FILE
<input type="checkbox"/> CONTINUED
<input type="checkbox"/> REFERRED TO
CHIEF DEPUTY CITY CLERK

**ATTACHMENT 1  
SITE PARCEL MAP**

# Site Parcel Map



**ATTACHMENT 2  
COOPERATION AGREEMENT**

**CITY OF EL MONTE**

**AND**

**EL MONTE HOUSING AUTHORITY**

**2015**

**AFFORDABLE RENTAL HOUSING DEVELOPMENT  
COOPERATION AND FINANCING AGREEMENT**

**(Mercy Housing Baldwin-Rose Veterans Family Housing Community Development  
Initiative Project)**

THIS 2015 AFFORDABLE RENTAL HOUSING DEVELOPMENT COOPERATION AND FINANCING AGREEMENT is dated as of October 1, 2015 (the "2015 Cooperation Agreement") by and between the City of El Monte (the "City") and the El Monte Housing Authority (the "Housing Authority") and is entered into in light of the facts set forth in the following Seven (7) recital paragraphs of this 2015 Cooperation Agreement:

-- RECITALS --

WHEREAS, the El Monte Housing Authority (the "Housing Authority") proposes to enter into an agreement with the Alameda Corridor East Construction Authority ("ACE"), a joint powers authority, to acquire certain real property (the "Site") located near the intersection of Baldwin Avenue and Rose Avenue, to the south of the new railroad street grade separation project as recently completed by ACE in the City of El Monte in order to provide for the development on the Site of a Veterans affordable rental family housing community initiative project described in that certain agreement entitled "2015 El Monte Housing Authority Memorandum of Understanding and Exclusion Negotiating Agreement" dated as of May 1, 2015 (the "2015 Housing Authority MOU"), by and between the Housing Authority and Mercy Housing California, a California non-profit public benefit corporation (the "Developer"); and

WHEREAS, subject to the terms and conditions of the "Development Agreement", as this term is described in the 2015 Housing Authority MOU, the Housing Authority desires to convey the Site to the Developer, at a fair market price as confirmed by an appraisal of the Site, and to provide certain other financial assistance to the Developer in support of the "Veterans Family Housing Project" as this term is described in the 2015 Housing Authority MOU, in the form of the "Authority Financial Assistance" as this term is also generally described in the 2015 Housing Authority MOU; and

WHEREAS, the Developer desires to acquire the Site from the Housing Authority, and to use the proceeds of the Authority Financial Assistance and other funds obtained by the Developer, including the monies to which may hereafter be awarded to the Veterans Family Housing Project by the Community Development Commission of Los Angeles County ("LACDC"), to construct and operate the Veterans Family Housing Project on the Site including approximately fifty-five (55) service enriched rental dwelling units (the "Housing Units") with a preference for low-income Veteran families and individuals which shall be reserved for

occupancy at affordable rents by individual and families where household income does not exceed 30% to 60% of Area Median Income. Approximately seventeen (17) of the Housing Units may be targeted to receive project based Veterans Affairs Supportive Housing vouchers on the Site provided such financing assistance is available and allocated to the Veterans Family Housing Project by LACDC. The affordable rental housing units in the Veterans Family Housing Project to Veterans shall have an "Affordability Period" of not less than fifty-five (55) years; and

WHEREAS, the acquisition of the Site by the Housing Authority, and conveyance of the Site to the Developer, the provision of the Authority Financial Assistance, and the development and operation of the Veterans Family Housing Project on the Site, subject to the provisions of the 2015 Housing Authority MOU, is in the vital and best interest of the City of El Monte and the health, safety and welfare of its residents, and is in accord with the public purposes and provisions of applicable state and local laws and requirements as relates to the production and presentation of affordable rental housing; and

WHEREAS, subject to the final approval of the Development Agreement by the Housing Authority as set forth in the 2015 Housing Authority MOU, the financial elements of the Veterans Family Housing Project include the following:

- 1-1 The Developer presently forecasts that the development cost of the Veterans Family Housing Project (including the land purchase price amount payable by the Developer to the Housing Authority for the Site) shall be approximately Twenty Three Million Nine Hundred Thirty Two Thousand Dollars (\$23,932,000);
- 1-2 the Housing Authority shall acquire the Site from ACE pursuant to the terms of the ACE Purchase Agreement (Baldwin and Rose Veterans Family Housing Project Site) for the sum of \$2,660,000 in cash, payable by the Housing Authority to ACE on the terms set forth in the ACE Purchase Agreement (Baldwin and Rose Veterans Family Project Site);
- 1-3 subject to the terms of the 2015 Housing Authority MOU and the approval by the Housing Authority of the final form of Development Agreement, concurrently with the acquisition of the Site from ACE, the Housing Authority shall sell, transfer convey title in the Site to the Developer in order that the Developer may undertake the development and operation of the Veterans Family Housing Project on the Site, and the Housing Authority shall also provide the Developer with the Authority Financial Assistance in support of the Veterans Family Housing Project;
- 1-4 subject to the terms of the 2015 Housing Authority MOU and the approval by the Housing Authority of the final form of the Development Agreement, the Housing Authority shall include a donation in favor of the Developer (or its affiliate/assignee) of a portion of the fair market value of the Site in amount which is the difference between the \$2,660,000 purchase price in cash payable by the Housing Authority to ACE under the ACE Purchase Agreement and the fair

market value of the Site as indicated in the written appraisal of the Site, prepared by Valentine Appraisal & Associates, dated May 13, 2015;

- 1-5 subject to the terms of the 2015 Housing Authority MOU and the approval by the Housing Authority of the final form of a Development Agreement, the Authority Financial Assistance shall have the following elements:
  - (i) a Development Loan by the Housing Authority to the Developer: principal amount not to exceed \$250,000;
  - (ii) a Development Project Mitigation Fees Loan by the Housing Authority to the Developer: principal amount not to exceed \$500,000;
- 1-6 subject to the terms of the 2015 Housing Authority MOU and the approval by the Housing Authority of the final form of a Development Agreement, the Developer shall repay to the Housing Authority the aggregate amount of the Authority Financial Assistance, plus interest per annum, from a portion of the "Residual Receipts" of the Veterans Family Housing Project during the term of the "Affordability Period" as each of these terms are described in the 2015 Housing Authority MOU;
- 1-7 subject to the terms of the 2015 Housing Authority MOU and the approval by the Housing Authority of the final form of a Development Agreement, the Developer shall undertake the acquisition, financing, construction and operation of the Veterans Family Housing Project as an affordable rental housing development reserved for occupancy at affordable rents during the Affordability Period (55 years), all as shall be provided in the Development Agreement; and

WHEREAS, the City Council and the governing board of the Housing Authority believes it is appropriate to enter into the 2015 Affordable Rental Housing Cooperation Agreement (Baldwin-Rose Veterans Family Housing Community Development Community Initiation Project) with the Housing Authority (the "2015 Cooperation Agreement") as set forth below.

**NOW THEREFORE, THE CITY AND THE HOUSING AUTHORITY DO HEREBY AGREE AS FOLLOWS:**

Section 1. Defined Terms and Exhibits.

(a) In addition to the usage of the defined terms set forth in the Recital paragraphs of this 2015 Cooperation Agreement, unless otherwise defined in the text of this 2015 Cooperation Agreement, terms and phrases as used herein which are denoted by an initially capitalized first letter, shall have the same meaning as set forth in the 2015 Housing Authority MOU.

(b) This 2015 Cooperation Agreement shall take effect on the date when each of the following conditions has been satisfied:



- (iii) from Residual Receipt payments of the Developer to the Housing Authority and from other legally available funds of the Housing Authority the Housing Authority shall repay Loan-C as provided in Section 7.

Section 3. Loan-A to the Housing Authority.

(a) The City hereby agrees to loan to the Housing Authority the principal amount of Two Hundred Fifty Thousand Dollars (\$250,000) as “Loan-A”, subject to the terms of this 2011 Cooperation Agreement, for the purpose set forth in Section 4. Loan-A shall be evidenced by “Note-A”. The form of Note-A shall be prepared by the City Attorney and executed by the Housing Authority in favor of the City at the time of funding of Loan-A. The Executive Director of the Housing Authority is authorized and directed to execute such ancillary loan security documents on the City may reasonably request to evidence the collateral assignment by the Housing Authority to the City of the Development Loan. The obligation of the City to provide the proceeds of Loan-A to the Housing Authority is a special limited fund obligation of the City payable solely from the Housing Successor Agency Fund.

(b) The date of Note-A shall be the date on which all of conditions have been satisfied and the Escrow with ACE under the ACE Purchase Agreement has closed. The date of Note-A shall be indicated the face of Note-A. Note-A shall mature, and the outstanding principal balance and all accrued and unpaid interest shall be due and payable on the earlier date of either fifty-five (55) years following the date of issuance by the City of a Certificate of Completion for the Veterans Family Housing Project or the sixtieth (60<sup>th</sup>) anniversary following the date of Note-A (the “Loan-A Maturity Date”), unless prior to such date the principal balance of Note-A has been paid in full to the City by the Housing Authority.

(c) Interest shall accrue on the outstanding principal balance of Note-A at the rate of not less than two percent (2%) per annum until repaid.

(d) Note-A shall be payable in annual installments prior to the Loan-A Maturity Date from the proceeds realized by the Housing Authority from payments of Residual Receipts by the Developer under the Development Agreement for the Development Loan. Each such installment of Housing Authority funds to repay Note-A shall be due and payable on June 30 of each year following the date of Note-A, with the first such installment payable on the June 30 next following the date of the issuance by the City of a Certificate of Completion for the Veterans Family Housing Project and thereafter on each succeeding June 30 until the outstanding principal balance of Note-A has been paid in full. The City acknowledges that if the calculation of Residual Receipts under the Development Agreement results in a negative number, Residual Receipts available to the Housing Authority in that year to pay an installment of Note-A to the City shall also be zero.

(e) Note-A is a special and limited obligation of the Housing Authority and the sole source of funds as pledged by the Housing Authority to the City for the repayment thereof is as provided in Section 3(d) of this 2015 Cooperation Agreement. The Housing Authority has no

taxing power and neither the taxing power of the Housing Authority or any other agency is pledged to repay the principal balance of Note-A.

(f) The City shall make the proceeds of Loan-A available to the Housing Authority from the legally available funds of the City for City Fiscal Year 2015-16. The City covenants and agrees with the Housing Authority to take and maintain all reasonable action to budget, maintain and reserve the sum of \$250,000 in the Housing Successor Agency Fund of the City for the purpose of originating Loan-A to the Housing Authority as provided herein.

Section 4. Use of Proceeds of Loan-A and Conditions for Disbursement of Proceeds of Loan-A.

(a) The Housing Authority shall use and apply the proceeds of Loan-A for the following purpose and for no other:

to pay for the origination of the Development Loan to the Developer under the Development Agreement for the design, acquisition and construction of the Veterans Family Housing Project.

(b) The following conditions precedent shall be satisfied prior to the disbursement by the City of the proceeds of Loan-A to the Housing Authority:

(i) the Housing Authority shall have confirmed that the escrow with the Developer is in a condition to close under the Development Agreement for the disposition of the Site to the Developer and the Housing Authority has also executed Note-A and that the Housing Authority is not be otherwise in default of any provision of this 2015 Cooperation Agreement;

(ii) the Site shall be transferred to the Developer by the Housing Authority upon the City's disbursement of the proceeds of Loan-A to the Housing Authority and the appropriate affordable rental housing regulatory agreements in favor of the Housing Authority shall have been recorded on the Site.

(c) The Housing Authority shall give the City at least thirty (30) days prior notice of the intention of the Housing Authority to draw funds under Loan-A.

Section 5. Loan-B to the Housing Authority.

(a) The City hereby agrees to defer the collection of the building and other development project fees and capital infrastructure charges associated with the Veterans Family Housing Project in a maximum principal amount not to exceed Five Hundred Thousand Dollars (\$500,000) ("Loan-B") on condition that the Housing Authority shall execute and deliver Note-B to the City and comply with the other provisions of this Section 5 and Section 6 such that the Veterans Family Housing Authority shall pay the Housing Authority for such building and other development project fees for the Veterans Family Housing Project as the Development Project Mitigation Fees Loan. The precise amount of Loan-B shall be confirmed by the Housing

Authority at the time of execution of Note-B. Nothing in this 2015 Cooperation Agreement shall be deemed to be a commitment or undertaking of the City to limit or cap the aggregate amount of the building and other development project fees and capital infrastructure charges otherwise payable to the City by the Developer for the Veterans Family Housing Project to an amount which does not exceed the sum of \$500,000. The City Director of Finance and the Economic Development Director shall jointly establish appropriate accounting and City budget records to provide for the administration of the deferral of collection by the City of the building and other development project fees and capital infrastructure charges associated with the Housing Project, as set forth in this Section 5 of the 2015 Cooperation Agreement. The Executive Director is authorized and directed to execute such ancillary loan security documents as the City may reasonably request to evidence the collateral assignment by the Housing Authority to the City of the Development Project Impact Mitigation Fees Loan. The obligation of the City to provide or make available the fee deferral amount in favor of the Veterans Family Housing Project is a special fund obligation of the City which is limited to the development project mitigation fee accounts of the City as generally listed at Section 6 of City Council Resolution No. 9620, dated October 14, 2015.

(b) The date of Note-B shall be the date on which all of conditions as set forth in this 2015 Cooperation Agreement have been satisfied and the escrow with the Developer for the disposition of the Site to the Developer has closed under the Development Agreement. The date of Note-B shall be indicated the face of Note-B. Note-B shall mature, and the outstanding principal balance and all accrued and unpaid interest shall be due and payable on the earlier date of either fifty-five (55) years following the date of issuance by the City of a Certificate of Completion for the Veterans Family Housing Project or the sixtieth (60<sup>th</sup>) anniversary following the date of Note-B (the "Loan-B Maturity Date") unless prior to such date the principal balance of Note-B has been paid in full, by the Housing Authority.

(c) Interest shall accrue on the outstanding principal balance of Note-B at a rate per annum of not less than two percent (2%) until repaid.

(d) Note-B shall be payable in annual installments prior to the Loan-B Maturity Date from the proceeds realized by the Housing Authority from payments of Residual Receipts by the Developer under the Development Agreement for the repayment of the Development Project Mitigation Fees Loan. Each such installment to repay Loan-B shall be due and payable on June 30 of each year following the date of Note-B, with the first such installment payable on the June 30 next following the date of the issuance by the City of a Certificate of Completion for the Veterans Family Housing Project and thereafter on each succeeding June 30 until the outstanding principal balance of Note-B has been paid in full. The City acknowledges that if the calculation of Residual Receipts under the Development Agreement results in a negative number, Residual Receipts available to the Housing Authority in that year to pay an installment of Note-B to the City shall also be zero.

(e) Note-B is a special and limited obligation of the Housing Authority and the sole source of funds as pledged for the repayment thereof is as provided in Section 5(d) of this 2015 Cooperation Agreement. The Housing Authority has no taxing power and neither the taxing

power of the Housing Authority or any other agency is pledged to repay the principal balance of Loan-B.

Section 6. Use of Proceeds of Loan-B.

(a) The Housing Authority shall use and apply the proceeds of Loan-B for the following purpose and no other:

to pay the City an amount not to exceed \$500,000 in deferred building and development project fees and capital infrastructure charges associated with the Veterans Family Housing Project.

(b) The following conditions precedent shall have been satisfied prior to the application of the credit in favor of the Developer and other Housing Authority for the payment of the building and development project fees and capital infrastructure charges under Loan-B associated with the Veterans Family Housing Project to the appropriate City revenue accounts:

- (i) the Housing Authority shall have confirmed that the Escrow with the Developer for the disposition of the Site under the Development Agreement is in a condition to close, and the Housing Authority has also executed Note-B and shall not be otherwise in default of any provisions of this 2015 Cooperation Agreement;
- (ii) the Site shall be transferred to the Developer by the Housing Authority upon the City's disbursement of the proceeds of Loan-B to the Housing Authority and the applicable affordable rental housing regulatory agreement shall have been recorded on the Site.

Section 7. Loan-C to the Housing Authority.

(a) Under the terms of the ACE Purchase and Sale Agreement, the Housing Authority may be called upon to pay certain fees and expenses of the administration of the escrow and the preservation of the Site pending the close of such escrow including the periodic removal of vegetation and debris from the Site and the maintenance of interim stormwater protection measures on the Site. Loan-C is a line of credit in favor of the Housing Authority in a maximum aggregate amount not-to-exceed Thirty Thousand Dollars (\$30,000) to pay for such ACE escrow and Site maintenance expenses pending the close of the escrow with ACE for the Site. The City hereby agrees to pay or make available to the Housing Authority the proceeds of Loan-C in an amount not to exceed Thirty Thousand Dollars (\$30,000) within thirty (30) days following receipt of written demand from the Housing Authority. The obligation of the City to provide the proceeds of Loan-C to the Housing Authority upon demand of the Housing Authority, is a general obligation of the City, subject to annual appropriation by the City.

(b) The date of Note-C shall be the date on which the proceeds of Loan-C may be paid by the City to the Housing Authority. The date of Note-C shall be indicated the face of Note-C. Note-C shall mature, and the outstanding principal balance and all accrued and unpaid interest shall be due and payable on the tenth (10<sup>th</sup>) anniversary following the date of Note-C (the

“Loan-C Maturity Date”) unless prior to such date the principal balance of Note-C has been paid in full to the City by the Housing Authority.

(c) Interest shall accrue on the outstanding principal balance of Note-C at a rate per annum of not less than two percent (2%) until repaid.

(d) In the event that the principal balance of Note-C has not been paid by the Housing Authority on or before the tenth (10<sup>th</sup>) anniversary thereof, the City agrees, upon the written request of the Housing Authority, to waive, discharge and forgive the payment of the balance of Note-C.

Section 8. Protection of Security of Housing Authority Pledged Funds to the City for the Repayment of Loan-A and Loan B.

(a) The Housing Authority hereby agrees to take all reasonable action to protect any of the security pledged as may hereafter be pledged by the Housing Authority to the City under this 2015 Cooperation Agreement for the repayment of Loan-A and Loan-B.

(b) For so long as any unpaid balance of Loan-A and Loan-B may exist, the Housing Authority further agrees and covenants to enforce the rights of the Housing Authority under the Development Agreement for the repayment of the Development Loan and the Development Project Mitigation Fees Loan, as applicable, and the Authority Financial Assistance Documents for the Veterans Family Housing Project to receive payments of the Residual Receipts from the Developer when due.

Section 9. Priority of Pledge Housing Authority Funds to the City.

(a) The funds payable by the Developer to the Housing Authority as Residual Receipts under the Authority Financial Assistance Documents and the Development Agreement shall in turn be pledged by the Housing Authority to the City to repay Loan-A and Loan-B. The priority of the pledge of such Housing Authority funds to repay the City the amount disbursed by the City to the Housing Authority to repay the indebtedness as may hereafter be incurred by the Housing Authority to the City under this 2015 Cooperation Agreement, shall be as follows:

- (i) First to repay Loan-C in full; next
- (ii) then to repay Loan-A in full; next
- (iii) then to repay Loan-B in full.

Section 10. Affordable Rental Housing Covenants.

As a condition to the disbursement of the proceeds of Loan-A and Loan-B to the Housing Authority, the Economic Development Director shall certify to the City Manager that the Development Agreement contains the affordable rental housing development, operation and affordability maintenance covenants in favor of the Housing Authority as generally set forth at

Section 5 of the 2015 Housing Authority MOU. The Economic Development Director shall also certify to the City Manager that the Development Agreement contains an acknowledgement by the Developer that the affordable rental housing development, operation and affordability maintenance covenants may be directly enforceable by the City against the Developer and the Veterans Family Housing Project upon written notice from the City to the Developer.

Section 11. Further Assurances of the Housing Authority. The Housing Authority shall adopt, make, execute and deliver to the City all such further resolutions, instruments and assurances as may be reasonably necessary to carry out the intention of this 2015 Cooperation Agreement.

Section 12. Amendment. This 2015 Cooperation Agreement may only be amended by written instrument executed by the parties hereto.

Section 13. Waiver of Personal Liability. No member, officer, agent or employee of the Housing Authority shall be individually or personally liable for the payment Loan-A and/or Loan-B, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 14. Payment on Business Days. Whenever in this 2015 Cooperation Agreement any amount is required to be paid on a day which is not a business day of the City, such payment shall be required to be made on the business day of the City immediately following such day.

Section 15. Notices. All written notices to be given under this 2015 Cooperation Agreement shall be given by first class mail or personal delivery or by telecopier and promptly confirmed by mail, to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective 48 hours after deposit in the United States mail, postage prepaid or, in the case of personal delivery to any person, upon actual receipt at the address set forth below:

To the Housing Authority: El Monte Housing Authority  
11333 Valley Boulevard  
El Monte, California 91731  
Attention: Executive Director

To the City: City of El Monte  
11333 Valley Boulevard  
El Monte, California 91731  
Attention: City Manager

Section 16. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this 2015 Cooperation Agreement shall for any reason be held illegal, invalid or enforceable, such holding shall not affect the validity of the remaining portions of this 2015 Cooperation Agreement. The City and the Agency hereby declare that of each them would have adopted this 2015 Cooperation Agreement and each and every other section, paragraph, sentence, clause or

phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this 2015 Cooperation Agreement may be held illegal, invalid or unenforceable.

Section 17. Governing Law. This 2015 Cooperation Agreement shall be construed and governed in accordance with the laws of the State of California.

*[SIGNATURES ON FOLLOWING PAGE]*

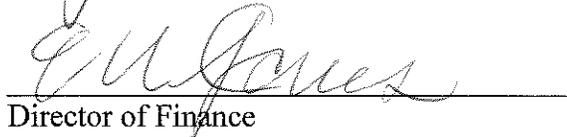
IN WITNESS WHEREOF, the undersigned officers of the parties have executed this 2015 Cooperation Agreement as of the date indicated next to the signatures of each of them.

CITY

City of El Monte

Date: 10/19/2015

  
\_\_\_\_\_  
City Manager

  
\_\_\_\_\_  
Director of Finance

  
\_\_\_\_\_  
Director of Economic Development Director

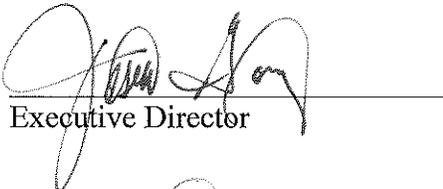
APPROVED AS TO FORM

  
\_\_\_\_\_  
City Attorney

HOUSING AUTHORITY

El Monte Housing Authority

Date: 10/19/2015

  
\_\_\_\_\_  
Executive Director

  
\_\_\_\_\_  
Director of Finance

  
\_\_\_\_\_  
Director of Economic Development Director

APPROVED AS TO FORM

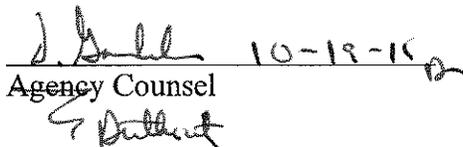
  
\_\_\_\_\_  
Agency Counsel  
S. Dullback

EXHIBIT "A"

Vicinity Map Showing the Site

**ATTACHMENT 3  
PURCHASE AND SALE AGREEMENT**

**AGREEMENT OF PURCHASE AND SALE  
AND JOINT ESCROW INSTRUCTIONS**

APN: Surplus West: 8577-012-912, 8577-012-913, 8577-012-910, 8577-012-909, 8577-012-904, 8577-012-906, 8577-012-908, 8577-012-903, 8577-012-902, 8577-012-907, 8577-012-905, 8577-012-901, 8577-012-900, 8577-012-911; Surplus East: 8577-014-911, 8577-014-910, 8577-014-909, 8577-014-902, 8577-014-908, 8577-014-900, 8577-014-906, 8577-014-901, 8577-014-903, 8577-014-907, 8577-014-904, 8577-014-905.

Escrow No. \_\_\_\_\_

This AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (the "Agreement") is dated as of September 28, 2015, by and between THE ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY on behalf of THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California joint powers authority (the "Seller"), and the EL MONTE HOUSING AUTHORITY, a public body corporate and politic (the "Buyer"), who agree as follows:

1. Property. The property which is the subject of purchase and sale under this Agreement (the "Property") consists of approximately 205,142 square feet of land area, together with all improvements thereon, situated in the City of El Monte, County of Los Angeles, State of California, and is legally described on Exhibits "A-1" and "A-2" attached to this Agreement. The parties acknowledge and agree that a slope easement within the boundaries of Property in the location as described on Exhibits "A-1 WEST SLOPE" and "A-2 EAST SLOPE" and depicted on Exhibits "B-1 WEST SLOPE" and "B-2 EAST SLOPE" will be conveyed to the City of El Monte prior to the Closing Date, and Buyer will accept the sale of the Property subject to said easements.

2. Purchase and Sale. For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions herein set forth.

3. Purchase Price. The purchase price (the "Purchase Price") for the Property is Two Million, Six Hundred Sixty Thousand Dollars and 00/100 (\$2,660,000), and shall be payable as follows:

Cash at Closing. The amount of Two Million, Six Hundred Sixty Thousand Dollars and 00/100 (\$2,660,000) shall be payable by Buyer to Seller in cash at the Close of Escrow, subject to any applicable credits under Section 4(c)(ii).

4. Escrow.

(a) Opening of Escrow. Promptly following the execution of this Agreement, and in no event later than November 6, 2015 the parties shall open an escrow (the "Escrow") with First American Title Company, Escrow Department, 4 First American Way, Santa Ana, California or such other escrow service company as the Buyer and Seller may mutually designate in writing (the "Escrow Holder") for the purpose of completing the transactions contemplated by this Agreement. For purposes of this Agreement, the Escrow shall be deemed opened (the "Opening Date") on the date Escrow Holder shall have received an executed counterpart of this Agreement from both Buyer and Seller and the sum of One Hundred Dollars (\$100) from the Buyer (the "Opening Date Deposit"). In addition, Buyer and Seller agree to execute, deliver, and be bound by any reasonable or customary supplemental escrow instructions of Escrow Holder, or other instruments as may reasonably be required by Escrow Holder, in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not amend, or supersede any portion of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, this Agreement shall control.

(b) Title. Seller shall convey to Buyer by grant deed (the "Grant Deed") a fee simple interest in the Property, free and clear of all monetary liens and encumbrances, except for any pre-existing covenants, conditions, restriction, reservations, rights, rights of way, or easements accepted by Buyer prior to the Close of Escrow which have been disclosed in the preliminary title report to be provided pursuant to Section 7(a)(1). The form of the Grant Deed is attached hereto as Exhibits "E-1 and E-2". Except as otherwise allowed by this Agreement, following the date of this Agreement Seller promises not to make any leases, contracts, options or agreements whatsoever affecting the Property which would in any manner impede Seller's ability to perform hereunder and deliver title as agreed herein.

(c) Close of Escrow.

(i) Time to Close Escrow. For purposes of this Agreement, "Close of Escrow" shall be defined as the date that the Grant Deed, conveying the Property to Buyer, is recorded in the Official Records of Los Angeles County, California. The Escrow shall close following the Opening Date on or before December 31, 2016 or at such earlier date as the parties may mutually agree upon in writing (the "Closing Date"). Subject to the provisions of Section 4(c)(ii), if applicable, Seller will be entitled to terminate this Agreement if the Close of Escrow has not

occurred as of the Closing Date. If Seller terminates this Agreement as provided in this paragraph, Seller shall retain the Opening Date Deposit as the property of Seller and Seller and Buyer will be released from all further liability and obligation under this Agreement, except for those liabilities and obligations which have accrued prior to the date of termination. Upon any such termination, Seller and Buyer will each pay one-half the amount of any Escrow cancellation fee.

(ii) Option to Extend Close of Escrow. Seller irrevocably grants to Buyer the right and option (the "Option") to extend the Closing Date by an additional six (6) months ("Option Period") upon the following terms and conditions. Buyer may not be in breach of this Agreement. The period during which the Option may be exercised (the "Option Exercise Period") shall be that time period from the Opening Date up to but not including December 31, 2016 or the Close of Escrow, whichever comes first. Buyer may exercise this Option at any time during the Option Exercise Period. Buyer shall exercise this Option by giving written notice to Escrow Holder and Seller stating that Buyer is exercising this Option and depositing with the Seller two and one-half percent (2.5%) of the Purchase Price ("Option Price") in immediate funds. Upon Buyer's delivery of such notice and funds to Seller, Seller shall confirm to the Escrow Holder its receipt of the Option Price from the Buyer and thereafter no further act on the part of Buyer or Seller shall be necessary to extend the Closing Date for an additional six (6) months. The Option Price shall be applied to the Purchase Price upon the Close of Escrow; provided however; if Escrow does not close and this Agreement is terminated without the fault of the Buyer, Seller shall refund the Option Price to Buyer promptly upon the written demand of the Buyer. If Buyer fails to exercise this Option in accordance with its terms on or before the expiration of the Option Exercise Period, then the Option and the rights of Buyer to thereunder to extend the Close of Escrow for an additional six (6) months shall automatically and immediately terminate.

Provided that Buyer has exercised its Option under the preceding paragraph and this Section 4(c)(ii), Seller also irrevocably grants to Buyer the right to further extend the Option Period by an additional six (6) months from its expiration. This right may be exercised by Buyer only if it is not in breach of this Agreement and if Buyer performs all of the following prior to the expiration of the initial Option Period: (a) Buyer gives written notice to Seller and Escrow Holder of the exercise to Escrow Holder and Seller, and (b) Buyer deposits an additional amount equal to the Option Price in immediate funds with the Seller. Upon Buyer's delivery of such notice and funds to Seller, Seller shall confirm to the Escrow Holder its receipt of the second Option Price amount from the Buyer and such second Option Price amount (together with the original Option Price amount) shall be applied to the Purchase Price upon the Close of Escrow; provided however, if Escrow does not close and this Agreement is terminated

without the fault of the Buyer, Seller shall refund the first and the second Option Price amounts (as applicable) to the Buyer promptly upon the written demand of the Buyer. In no event shall the Closing Date be extended beyond December 31, 2017.

5. “AS-IS” Sale; Limited Warranties.

(a) “As-Is Sale”. IT IS UNDERSTOOD AND AGREED BY BUYER THAT THE PROPERTY IS SOLD TO BUYER IN ITS **“AS-IS” CONDITION AND “WITH ALL FAULTS,”** AND SELLER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, REGARDING THE CONDITION OF TITLE OF THE PROPERTY, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY, THE ZONING OR OTHER LAND USE PROVISIONS OR RESTRICTIONS AFFECTING THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR USE BY BUYER, ANY MATTERS WHICH WOULD BE DISCLOSED BY AN INSPECTION OF THE PROPERTY, OR ANY OTHER MATTERS CONCERNING THE PROPERTY (WHETHER OR NOT OF PUBLIC RECORD).

(b) Limited Warranties. Buyer hereby affirms and acknowledges that neither Seller nor any of its officers, agents, employees, advisors and/or attorneys (collectively the “Exculpated Parties”) have made nor has Buyer relied upon any representation, warranty or promise whether oral or written, express or implied, by operation of law or otherwise, with respect to the Property or any other subject matter of this Agreement except as otherwise expressly set forth in this Agreement. Without limitation, Buyer acknowledges that, except as specifically set forth to the contrary in this Agreement, no warranties or representations, expressed or implied, of any kind whatsoever have been made by any of the Exculpated Parties, or will be relied upon, and Buyer hereby releases the Exculpated Parties from any claims with respect to the general plan designation, zoning, value, use, tax status or physical condition of the Property, or any part thereof, including, without limitation, the flood elevations, drainage patterns, soil and subsoil composition and compaction level, and other conditions at such premises, or with respect to the existence or non-existence of Hazardous Materials (as defined below) in, on, under or around the Property, or with respect to the accuracy of any title report or commitment, soils report or any other plans or reports, or otherwise in any way relating to the Property or the transactions contemplated hereby. Buyer is acquiring the Property based solely on its own independent investigation and inspection of the Property and in no way in reliance on any information provided by Seller or any of the other Exculpated Parties other than the representations and warranties expressly contained herein. For purposes of this Agreement, the term “Hazardous Materials” shall mean any hazardous or toxic substances, materials or wastes, including without limitation petroleum oil and its fractions, as defined by any federal, state or local law, regulation or ordinance.

6. Acknowledgments.

(a) The parties acknowledge and agree: **(1)** the Property was initially acquired by Seller in connection with, and in the furtherance of Seller's efforts to construct railroad grade separation improvements at the intersection of the Union Pacific Railroad (main line tracks) through the City of El Monte and the crossing of such railroad tracks at Baldwin Avenue in the City of El Monte; and **(2)** the specifications of the aforementioned grade separation undertaking are set forth in that certain \_\_\_\_\_, 201\_\_ Construction and Maintenance Agreement executed by the City of El Monte, Seller and the \_\_\_\_\_ Rail Authority an original counterpart of which is on file at the El Monte City Clerk's Office as a public record.

(b) The parties further acknowledge that the Buyer intends to acquire the Property subject to the slope easements described as "A-1 WEST SLOPE" and "A-2 EAST SLOPE" referenced in Section 1, for the development by a third party entity as an affordable rental housing facility which shall be reserved for use and occupancy for the maximum feasible period for persons and families of low and moderate income, as these terms are defined in the Housing Authorities Law.

(c) Upon the written request of Buyer, the Seller shall acknowledge that concurrently with the Close of Escrow, the Buyer shall transfer the Property to a third party entity designated by Buyer for use and improvement of the Property as an affordable rental housing facility. Seller shall reasonably cooperate with the Escrow Holder and Buyer to coordinate the transfer by the Buyer of the Property to such third party entity designated by Buyer subject to the Close of Escrow and satisfaction by Buyer of the other terms of this Agreement.

(d) Seller will work with Buyer to provide necessary access to the Property during Escrow in order for Buyer maintain necessary site control as required under appropriate affordable housing guidelines and other authorities.

7. Due Diligence Period.

(a) Title and Inspections. Within ten (10) days following the Opening Date, Escrow Holder shall cause a title company (the "Title Company") of Buyer's choosing (and reasonably acceptable to Seller) to issue to Buyer (with a copy to Seller) a preliminary report (the "Preliminary Report") for a CLTA Owner's Policy of Title Insurance (the "Title Policy") for the Property, together with copies of all documents relating to title exceptions referred to in the Preliminary Report, and Seller shall also provide Buyer with complete copies of any and all environmental inspection reports concerning the Property which Seller has in its possession. Buyer acknowledges that, prior to the effective date of this Agreement, Seller had provided Phase I and II reports related to the Property which were prepared on Seller's behalf. Thereafter, Buyer shall

investigate and review the Preliminary Report and the physical condition of the Property, which investigation and review must be completed within one hundred and twenty (120) days from the date the Preliminary Report is provided to Buyer (hereinafter, the "Due Diligence Period"). Buyer may further extend the Due Diligence Period through a date not later than September 30, 2016 upon Seller's receipt of a written notice from Buyer which: (i) references this Section 7(a); and which states (ii) "Buyer and Buyer's affordable rental housing developer entity have not yet completed development design plans for the foundation improvements of the Property to be undertaken by such affordable rental housing developer and accordingly, Buyer hereby reserves its acceptance of the condition of the Property until the completion of such development design plans for the foundation improvements, or not later than thirty (30) days prior to the Closing Date, which ever date may first occur". If Buyer objects to any matter disclosed in the Preliminary Report or to the condition of the Property, Buyer shall give Seller written notice of such objections prior to the expiration of the Due Diligence Period. However, Buyer will not have the right to object and will accept title subject to the lien of property taxes not yet due, and such minor easements and matters of record as will not detract from the use of the Property for the purpose contemplated by Buyer; however, subject to the last sentence of this Section of the Agreement, Buyer will have no right to object and will accept title subject to the slope easement identified in Section 1 of this Agreement, which will be in the form set forth in **Exhibits "F-1 WEST SLOPE" and "F-2 EAST SLOPE"** attached hereto. Buyer's failure to give written notice of objection prior to the expiration of the Due Diligence Period shall be deemed to be an approval of the Preliminary Report and the condition of the Property. Seller has no obligation to cure or correct any matter objected to by Buyer. However, no later than ten (10) days after receipt of Buyer's objections, if any, Seller may elect by giving written notice to Buyer (the "Cure Notice") to remove or cure some or all of such objectionable matters, at Seller's cost and expense, on or prior to the Close of Escrow. If Seller fails to timely give a Cure Notice, or if Seller gives a Cure Notice stating that it will remove or cure less than all of such objectionable matters, then on or prior to ten (10) days following Buyer's receipt of the Cure Notice, or if Seller fails to timely give a Cure Notice, then on or prior to ten (10) days following the last date on which Seller could timely have given a Cure Notice, Buyer may elect to terminate this Agreement or waive its objections by giving written notice to Seller. Buyer's failure to give such notice on or prior to the expiration of the foregoing time periods will be deemed to constitute Buyer's election to waive its objections. If Buyer terminates this Agreement as provided in this Section, Seller and Buyer will be released from all further liability and obligation under this Agreement, except for those liabilities and obligations which have accrued prior to the date of termination. Upon any such termination, Seller and Buyer will each pay one-half the amount of any Escrow cancellation fee. During the Due Diligence Period, Buyer may investigate the feasibility of the slope easement referenced in Section 1 of the Agreement (which will become a matter of record before the Closing Date) with the 2015 Mercy Housing Veterans Family Housing Project and the consideration of such feasibility shall

be deemed to be part of Buyer's investigation and review of the physical condition of the Property as referenced above.

(b) Access. Access to the Property during the Due Diligence Period shall be given to Buyer and its authorized representatives at all reasonable times. Buyer agrees to indemnify and defend Seller against and hold Seller harmless from all liabilities, suits, claims, losses, damages, judgments, costs and expenses (including, without limitation, court costs and reasonably attorneys' fees and costs) sustained by or asserted against Seller or the Property, including, without limitation, physical damage, physical injury to Seller's employees or agents or contractors and any mechanics' and materialmen's liens, caused as a result of or in connection with the inspections conducted by Buyer or its authorized representatives.

8. Conditions to Close of Escrow.

(a) Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to consummate the transactions contemplated by this Agreement are subject to the satisfaction, or written waiver by Buyer, of the following conditions:

(1) The Title Company being prepared to issue to Buyer the Title Policy in the amount of the Purchase Price and subject only to those matters approved or deemed to have been approved by Buyer pursuant to Section 7.

(2) Representations and Warranties. Seller's representations and warranties in this Agreement being correct as of the date of this Agreement and as of the Close of Escrow.

(3) Affordable Rental Housing Development by Mercy Housing of California. The Buyer is reasonably satisfied that concurrently with the Close of Escrow, Mercy Housing of California, or an affiliate of Mercy Housing of California reasonably acceptable to the Buyer, shall accept the transfer of the Property from the Buyer for use and improvement as an affordable rental housing improvement on terms and conditions which are reasonably satisfactory to the Buyer and such affordable rental housing development entity.

(4) Performance of Obligations. Seller's due and complete performance of all obligations to be performed by Seller under this Agreement.

(5) No Material Changes. At the Closing Date, there shall have been no material adverse changes in the physical condition of the Property.

(b) Conditions to Seller's Obligation. The Close of Escrow and Seller's obligation to consummate the transactions contemplated by this Agreement are subject to the satisfaction, or written waiver by Seller, of the following conditions:

- (1) California Department of Transportation (Caltrans) Approval. The California Department of Transportation (Caltrans) must have given its express approval, to Seller's satisfaction, of the sale by Seller and the purchase by Buyer of the Property.
- (2) Representations and Warranties. Buyer's representations and warranties in this Agreement being correct as of the date of this Agreement and as of the Close of Escrow.
- (3) Performance of Obligations. Buyer's due and complete performance of all obligations to be performed by Buyer under this Agreement.

9. Deposits by Seller. At least one (1) business day prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following:

(a) Seller's Certificate Federal. Seller's affidavit of nonforeign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended ("FIRPTA Affidavit").

(b) Seller's Certificate State. Seller's affidavit as contemplated by California Revenue and Taxation Code §§ 18805 and 26131 ("Withholding Affidavit").

(c) Grant Deeds. The Grant Deeds conveying the Property to Buyer duly executed and acknowledged by Seller.

10. Deposits by Buyer. At least one (1) business day prior to the Close of Escrow, Buyer shall deposit or cause to be deposited with Escrow Holder the following:

- (a) In immediately available funds, the entire amount of the Purchase Price as required under Section 3(a) of this Agreement;
- (b) Buyer's acceptance of delivery of the Grant Deeds in recordable form; and
- (c) Buyer's Certificate of Acceptance with respect to the Grant Deeds.

11. Costs and Expenses. The escrow fee of Escrow Holder shall be paid by Buyer and Seller 50% each. Seller will pay the premium for the Title Policy and the cost of any endorsements obtained in connection with Seller's cure under Section 7 of any objectionable title

matters, and Buyer shall pay for the cost of any other endorsements or upgrades requested by Buyer. Buyer shall pay all documentary transfer taxes, if any, payable in connection with the recordation of the Grant Deed. The amount of such transfer taxes shall not be posted on the Grant Deed, but shall be supplied by separate affidavit. Buyer shall pay the Escrow Holder's customary charges to Buyer and Seller for document drafting, recording, and miscellaneous charges. If as a result of the default of a party Escrow fails to close, the defaulting party shall pay all of the foregoing fees and charges.

12. Prorations. The following prorations shall be made between Seller and Buyer on the Closing Date, computed as of the Closing Date:

(a) Taxes. Real and personal property taxes and assessments on the Property shall be prorated on the basis that Seller is responsible for (i) all such taxes for the fiscal year of the applicable taxing authorities occurring prior to the "Current Tax Period," and (ii) that portion of such taxes for the Current Tax Period determined on the basis of the number of days which have elapsed from the first day of the Current Tax Period to the Closing Date, inclusive, whether or not the same shall be payable prior to the Closing Date. The phrase "Current Tax Period" refers to the fiscal year of the applicable taxing authority in which the Closing Date occurs. In the event that as of the Closing Date the actual tax bills for the year or years in question are not available, and the amount of taxes to be prorated as aforesaid cannot be ascertained, then rates and assessed valuation of the previous year, with known changes, shall be used, and when the actual amount of taxes and assessments for the year or years in question shall be determinable, then such taxes and assessments will be re-prorated between the parties to reflect the actual amount of such taxes and assessments.

(b) Utilities. Gas, water, electricity, heat, fuel, sewer, other utilities and the operating expenses relating to the Property shall be prorated as of the Closing Date. If the parties are unable to obtain final meter readings as of the Closing Date, such expenses shall be estimated as of the Closing Date on the basis of the prior operating history of the Property.

13. Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, the Escrow holder shall promptly undertake all of the following in the manner indicated:

(a) Recording. Record the following documents in the Official Records of Los Angeles County, California, in the following order: the Grant Deeds; and any other documents which the parties hereto may mutually direct. Escrow Holder is instructed not to affix the amount of documentary transfer tax on the face of the Grant Deeds, but to supply same by separate affidavit.

(b) Prorations. Prorate all matters referenced herein, based upon the Escrow Holder's final closing statement delivered into Escrow signed by the parties.

(c) Purchase Price. Disburse the Purchase Price to Seller after deducting therefrom the amounts payable by Seller on account of fees, charges, prorations and the credit(s) (if applicable) for the Option Price amount(s) as set forth in the Escrow Holder's final closing statement approved by Seller.

(d) Documents. Deliver a conformed copy of the Grant Deeds to Seller and Buyer, and deliver the FIRPTA Affidavit and the Withholding Affidavit, and, if and when issued, the Title Policy, to Buyer.

14. Seller's Representations and Warranties. Seller represents and warrants to Buyer that:

(a) This Agreement and all documents executed by Seller under this Agreement which are to be delivered to Buyer are, or at the time of Close of Escrow will be, duly authorized, executed, and delivered by Seller, and are, or at the Close of Escrow will be, legal, valid, and binding obligations of Seller, and do not, and at the Close of Escrow will not, violate any provisions of any agreement or judicial order to which Seller is a party or to which it is subject.

(b) The representations and warranties of Seller set forth in this Agreement shall be true on and as of the Close of Escrow as if those representations and warranties were made on and as of such time.

15. Buyer's Representations and Warranties. Buyer represents and warrants to Seller that:

(a) This Agreement and all documents executed by Buyer under this Agreement which are to be delivered to Seller are, or at the time of Close of Escrow will be, duly authorized, executed, and delivered by Buyer, and are, or at the Close of Escrow will be legal, valid, and binding obligations of Buyer, and do not, and at the Close of Escrow will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

(b) The representations and warranties of Buyer set forth in this Agreement shall be true on and as of the Close of Escrow as if those representations and warranties were made on and as of such time.

16. Damage or Condemnation Prior to Closing. Seller shall promptly notify Buyer of any knowledge by Seller of casualty to the Property or any condemnation proceeding commenced prior to the Close of Escrow. If any such damage or proceeding relates to, or may result in, the loss of any material portion of the Property, Seller or Buyer may, at their option, elect either to:

(a) terminate this Agreement, in which event all funds deposited into Escrow by Buyer shall be returned to Buyer and neither party shall have any further rights or obligations hereunder, or

(b) continue the Agreement in effect, in which event upon the Close of Escrow Buyer shall be entitled to any compensation, awards, or other payments or relief resulting from such casualty or condemnation proceeding.

17. Maintenance. During the Escrow period, Buyer agrees and acknowledges that Buyer shall be responsible for all obligations related to the maintenance or repair of the Property, including but not limited to weed abatement/control and providing necessary security, as well as causing the Property to be in compliance with applicable laws, regulations, ordinances, rules and orders of governmental authorities having jurisdiction over said Property.

18. Notices. All notices, requests, demands and other communications required or permitted to be given under the terms of this Agreement by one party to the other shall be in writing addressed to the recipient party's Notice Address set forth below and shall be deemed to have been duly given or made (a) if delivered personally (including by commercial courier or delivery service) to the party's Notice Address, then as of the date delivered, on presentation), or (b) if mailed by certified mail to the party's Notice Address, postage prepaid and return receipt requested, then at the time received at the party's Notice Address as evidenced by the return receipt, or (c) if mailed by first class mail to the party's Notice address, postage prepaid, then on the third (3rd) day following deposit in the United States Mail, or (d) if sent by facsimile transmission, when sent (or if the day when sent is not a business day, on the first business day following the day when sent). Any party may change its Notice Address by a notice given in the foregoing form and manner. The Notice Addresses of the parties are:

**TO SELLER:**

THE ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY  
4900 Rivergrade Road, Suite A120  
Irwindale, CA 91706  
Attention: Mark T. Mendoza  
Real Estate Manager  
Facsimile (626) 962-3552

Alan Sozio , Esq.  
Burke, Williams & Sorensen, LLP  
444 South Flower Street, Suite 2400  
Los Angeles, CA 90017  
Facsimile: (213) 236-2700

**TO BUYER:**

EL MONTE HOUSING AUTHORITY  
11333 Valley Boulevard  
El Monte, CA 91731  
Attention: Executive Director  
Facsimile: (626) 444-2183

Office of the City Attorney  
El Monte City Hall – East  
11333 Valley Boulevard  
El Monte, CA 91731  
Attn: City Attorney  
Facsimile: (626) 444-2183

FOR MERCY HOUSING CALIFORNIA:  
Ed Holder  
Regional Vice President  
Real Estate Development  
Mercy Housing  
1500 South Grand, Suite 100  
Los Angeles, CA 90015  
Facsimile: (213) 743-5830

Rejection or other refusal to accept, or the inability to deliver because of changed address of which no notice has been deemed given, shall be deemed to constitute receipt of the notice, demand, request, or communication sent.

19. Legal Fees. In the event of the bringing of any action or suit with respect to this Agreement or its enforcement or interpretation by a party hereto against another party hereto, then in that event, the prevailing party in such action or dispute, whether by final judgment or out of court settlement, shall be entitled to have and recover, of and from the other party, all costs and expenses of suit, including actual attorneys' fees.

20. Assignment. Neither party may assign, transfer or convey its rights or obligations under this Agreement without the prior written consent of the other party.

21. Miscellaneous.

(a) Survival of Covenants. The covenants, representations and warranties of both Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow.

(b) Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated, and shall use their best efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

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

(d) Counterparts. This Agreement shall be executed in three (3) counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Any signature page of this Agreement may be detached from any counterpart and re-attached to any other counterpart of this Agreement which is identical in form hereto but having attached to it one or more additional signature pages.

Upon the close of escrow, one fully executed counterpart shall be delivered to Seller and two fully executed counterparts shall be delivered to Buyer.

(e) Captions. Any captions to, or headings of, the sections, paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(f) No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

(g) Exhibits and Schedules. The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference.

(h) Amendment to this Agreement. The terms of this Agreement may not be modified or amended either orally or by a course of conduct, but only by an instrument in writing executed by each of the parties hereto.

(i) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(j) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(k) Fees and Other Expenses. Each of the parties shall pay its own fees and expenses in connection with this Agreement, except as otherwise provided herein.

(l) Defaults and Breach – General. Except as otherwise provided in this Agreement, failure or delay by either party to perform any material term or provision of this Agreement shall constitute a default under this Agreement; provided however, that if the party who is otherwise claimed to be in default by the other party commences to cure, correct or remedy the alleged default within thirty (30) calendar days after receipt of written notice specifying such default and diligently completes such cure, correction or remedy, such party shall not be deemed to be in default hereunder.

The party which may claim that a default has occurred shall give written notice of default to the party in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default; provided, however, the injured party shall have no right to exercise any remedy for a default as set forth herein without delivering the written default notice as specified herein.

Any failure to delay by a party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with such a default.

In the event that a default of either party may remain uncured for more than thirty (30) calendar days following written notice, as provided above, a "breach" shall be deemed to have occurred. In the event of a breach, the party who is not in default shall be entitled to obtain such relief as may then be available to it including the termination of this Agreement and/or the initiation of legal proceedings to enforce the terms of this Agreement. The prevailing party in any such legal proceedings shall be entitled to recover, as an element of its costs of suit, and not as damages, its reasonable attorneys fees as fixed by the court in such action or in a separate action brought to recover such attorneys fees.

(m) Entire Agreement. This Agreement supersedes any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(n) Successors and Assigns. Subject to the terms of Section 19, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

(o) Joint and Several. If the Buyer consists of more than one person or entity, the covenants, representations, warranties and obligations of the Buyer are joint and several.

(p) Limited Maintenance of the Property By Buyer During Escrow. Following the Opening of Escrow, Buyer shall be responsible for maintaining the surface of the Property in a weed-free condition and Buyer shall remove wind-blow debris and litter from the surface of the Property from time-to-time, upon the written request of the Seller, at the sole cost and expense of Buyer. Buyer shall be responsible for securing the gate and perimeter fencing of the Property in a closed condition, following each entry upon the Property by the Buyer for any weed or litter removal work requested by the Seller.

[INTENTIONALLY LEFT BLANK]  
[SIGNATURES ON NEXT PAGE]

The parties have executed this Agreement as of the day and year first above written.

**“SELLER”**

**“BUYER”**

THE ALAMEDA CORRIDOR EAST  
CONSTRUCTION AUTHORITY

EL MONTE HOUSING AUTHORITY,  
a public body corporate and politic

By: \_\_\_\_\_  
Mark Christoffels  
CEO and Chief Engineer

By: Andre Quintero  
Andre Quintero  
Chair

By: Jesus Gomez 10/19/2015  
Jesus Gomez  
Executive Director

**APPROVED AS TO FORM:**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Legal Counsel for the Alameda  
Corridor East Construction  
Authority

By: J. Ball 10-19-15  
El Monte Housing Authority General  
Counsel

ACCEPTANCE BY ESCROW HOLDER:

First American Title Insurance Company, (the “Escrow Holder”) Escrow hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

Dated: \_\_\_\_\_, 2015

ESCROW HOLDER

By: \_\_\_\_\_

Its: \_\_\_\_\_

Baldwin Avenue Surplus  
East/West/Northeast

EXHIBITS "A-1 and "A-2"  
Legal Descriptions of Properties

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6A-1**

THAT REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES,  
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 80 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES,  
STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF  
MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EASTERLY 20.00 FEET OF SAID LOT AS DEEDS TO THE CITY OF EL  
MONTE FOR STREET PURPOSES.

ALSO EXCEPT THEREFROM ALL OIL, NAPHTHA, GAS AND KINDRED SUBSTANCES  
AS RESERVED IN THE DEED FROM TITLE GUARANTEE AND TRUST COMPANY,  
REGISTERED SEPTEMBER 10, 1936 AS DOCUMENT NO. 12554-E.

APN: 8577-012-039

CONTAINS: 6,062 SQUARE FEET.

**NOTE:**

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD  
BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR  
LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

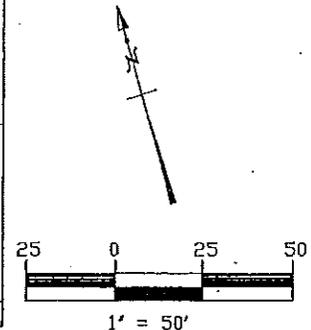
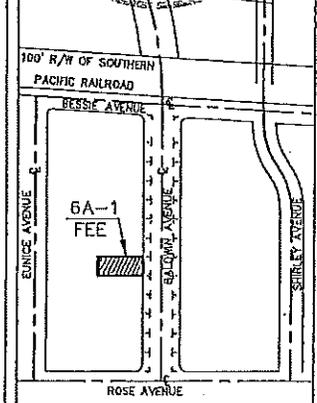
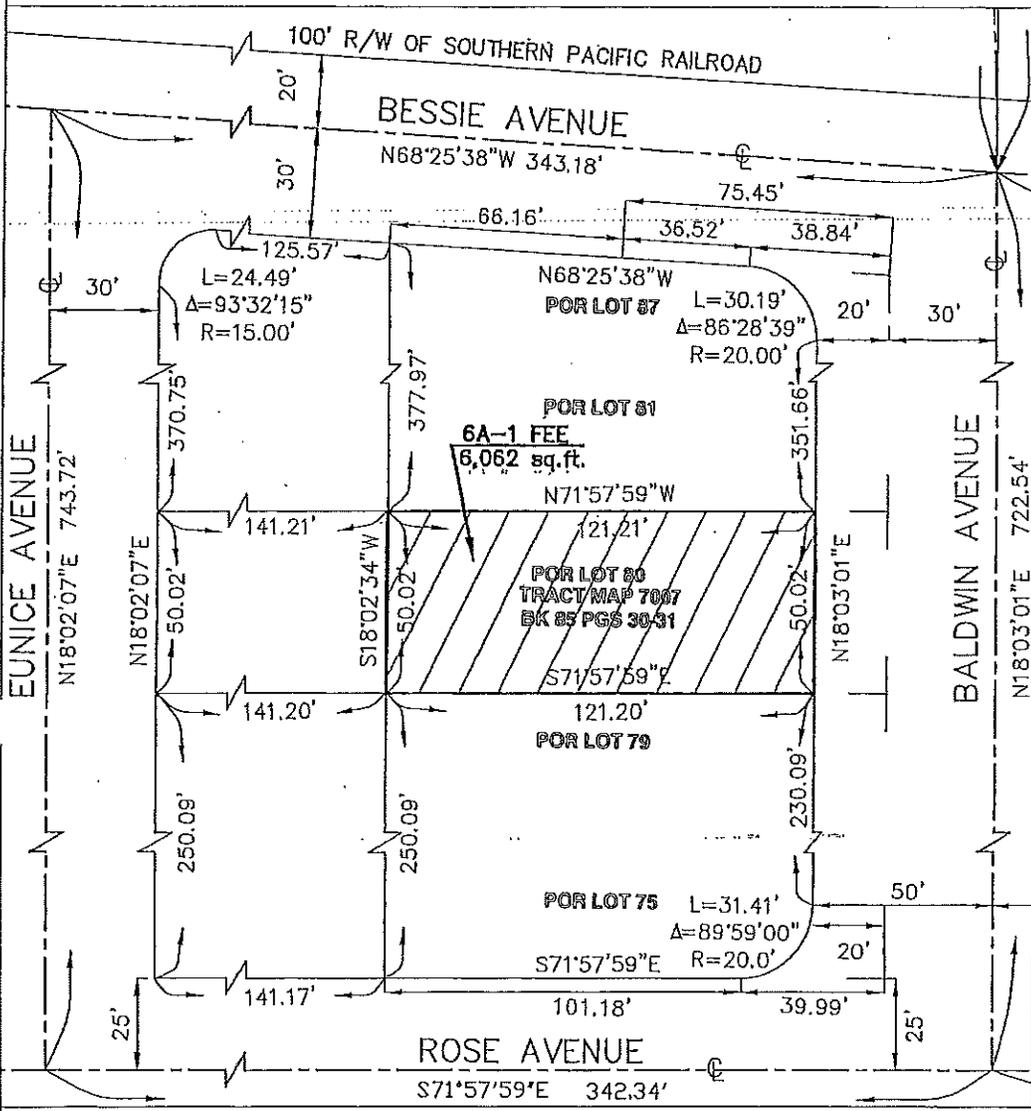
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE



# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
MINI QUYNH HUYNH	TRACT MAP No 7007	APPROVED: <i>Stephanie Wagner</i>
	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-039	COUNTY OF LOS ANGELES	DATE: 7/19/07



**BASIS OF BEARINGS:**

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,062	6,062	—

**ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY**

WAGNER ENGINEERING & SURVEY, INC.  
*Stephanie A. Wagner*  
 CHECKED BY: L.S.: 5752 PROJECT MANAGER DATE: 7/18/07

**GRADE SEPARATION #13 BALDWIN AVE.**

COUNTY OF LOS ANGELES

DATE:	05/30/07
SCALE:	1" = 50'
REV. No.	DATE:
REV. No.	DATE:
ACE PARCEL No	6A-1 FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6A-2**

THAT REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

LOT 79 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EASTERLY 20 FEET CONVEYED TO THE CITY OF EL MONTE, A MUNICIPAL CORPORATION BY DEED RECORDED AUGUST 4, 1981 AS INSTRUMENT NO. 81-776090, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, NAPHTHA, GAS, OR OTHER KINDRED SUBSTANCES DEPOSITED, LYING UNDER OR FLOWING THROUGH SAID LAND, AND THE RIGHT TO DRILL FOR ANY OF THE SAID SUBSTANCES NAMED ABOVE AND THE MARKETING OF THE SAME, AS RESERVED IN THE DEED FROM TITLE GUARANTEE AND TRUST COMPANY, REGISTERED ON JANUARY 27, 1927, AS DOCUMENT NO. 113780.

APN: 8577-012-041

CONTAINS: 6,062 SQUARE FEET.

NOTE:  
THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

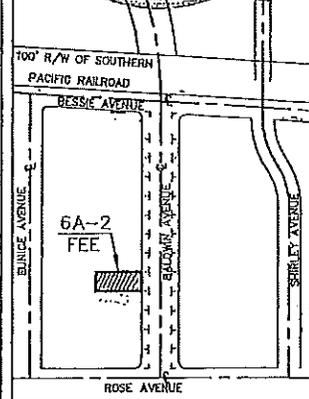
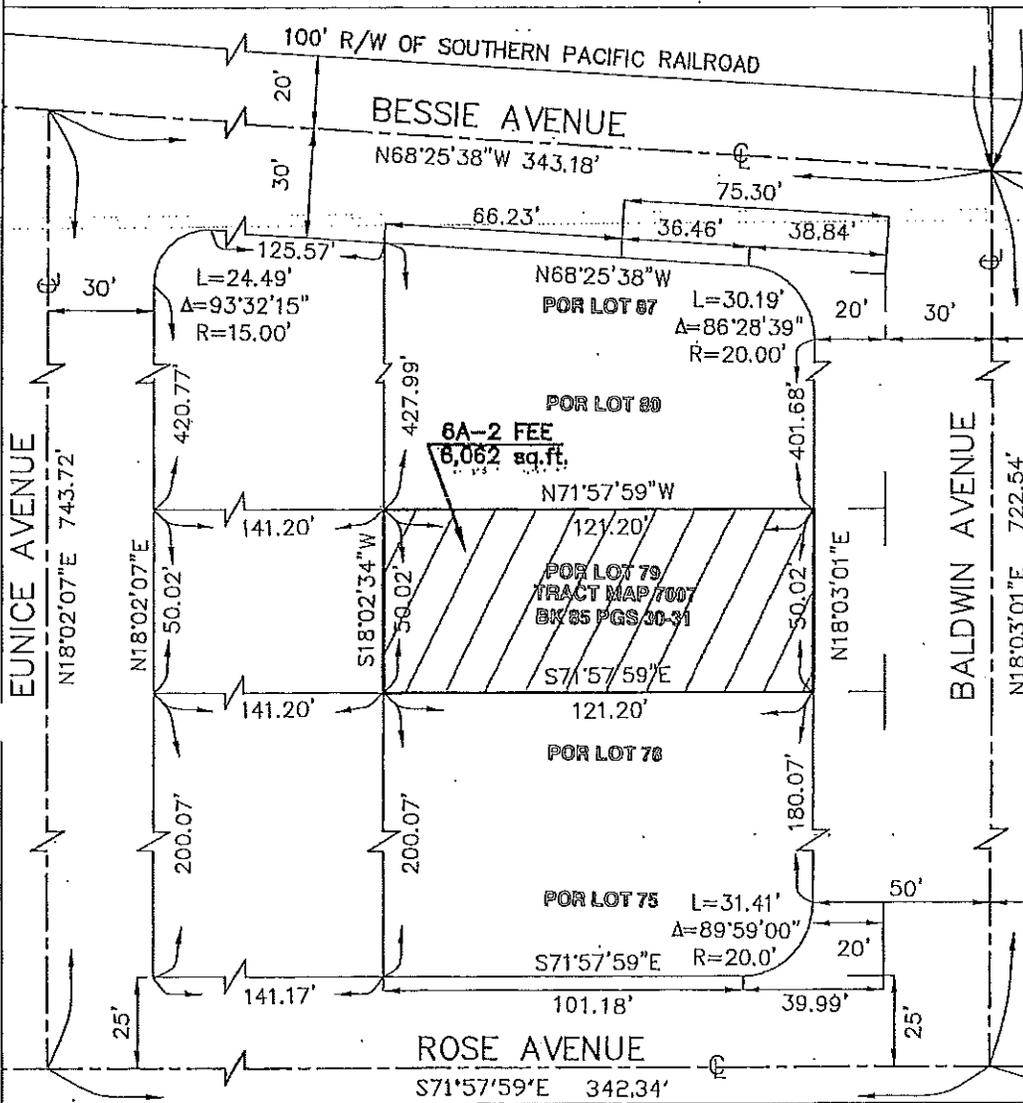
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE:

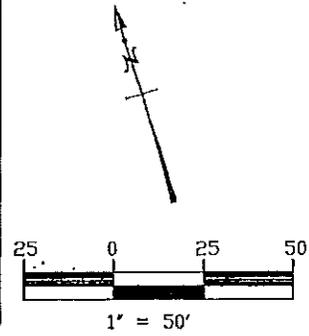


# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
SEVAG M. HAKIMIAN &	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
PAULINE M. HAKIMIAN	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-041	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.



**BASIS OF BEARINGS:**

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,062	6,062	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY	GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07 SCALE: 1" = 50' REV. No.      DATE: REV. No.      DATE: ACE PARCEL No 6A-2 FEE
WAGNER ENGINEERING & SURVEY, INC. <i>[Signature]</i> CHECKED BY: L.S.:5752	ACE APPROVED BY: <i>[Signature]</i> 7/18/07 PROJECT MANAGER	COUNTY OF LOS ANGELES

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6A-3**

THAT REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

LOT 78 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE SOUTHEASTERLY 20.00 FEET OF SAID LOT 78.

ALSO EXCEPT THEREFROM ALL OIL, NAPHTHA, GAS, OR OTHER KINDRED SUBSTANCES DEPOSITED, LYING UNDER OR FLOWING THROUGH SAID LAND, AND THE RIGHT TO DRILL FOR ANY OF THE SAID SUBSTANCES NAMED ABOVE AND THE MARKETING OF THE SAME, AS RESERVED IN THE DEED FROM TITLE GUARANTEE AND TRUST COMPANY, REGISTERED ON AUGUST 8, 1928 AS INSTRUMENT NO. 150021 AND RECORDED IN BOOK 7119 PAGE 368 OFFICIAL RECORDS.

APN: 8577-012-032

CONTAINS: 6,062 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

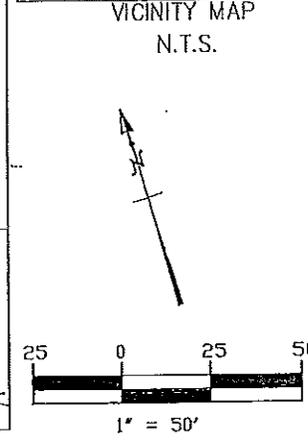
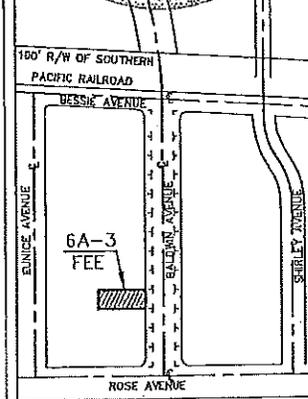
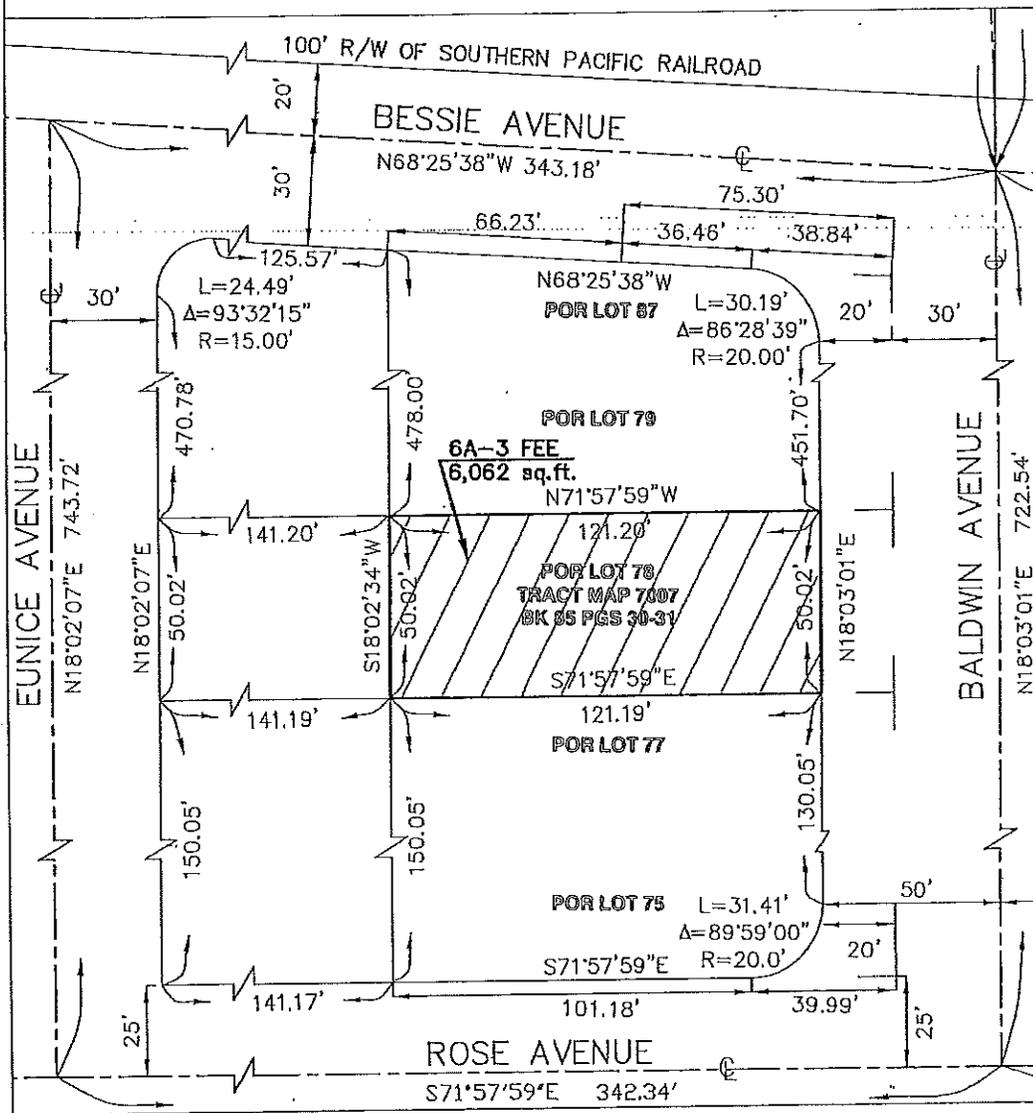
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE:



EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
ALBERT NERI &	TRACT MAP No 7007	APPROVED: <i>George W. Kelly</i>
AMANDA P. NERI	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-032	COUNTY OF LOS ANGELES	DATE: 7/19/07



BASIS OF BEARINGS:

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,062	6,062	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY		GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07
WAGNER ENGINEERING & SURVEY, INC.			SCALE: 1" = 50'
APPROVED BY: <i>Lou Clusters</i> 7/18/07		COUNTY OF LOS ANGELES	REV. No. DATE:
CHECKED BY: <i>Stephanie A. Wagner</i>	PROJECT MANAGER		REV. No. DATE:
L.S. 5752		ACE PARCEL No 6A-3 FEE	

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6A-4**

THAT REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

LOT 77 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EASTERLY 20.00 FEET OF SAID LOT AS GRANTED TO THE CITY OF EL MONTE, RECORDED MARCH 30, 1979 AS INSTRUMENT NO. 79-344096, OFFICIAL RECORDS, TO BE KNOWN AS BALDWIN AVENUE.

EXCEPT THE OIL, NAPHTHA, GAS, OR OTHER KINDRED SUBSTANCES DEPOSITED, LYING UNDER OR FLOWING THROUGH SAID LAND, AND THE RIGHT TO DRILL FOR ANY OF THE SAID SUBSTANCES ABOVE NAMED AND THE MARKETING OF THE SAME, AS RESERVED IN THE DEED FROM TITLE GUARANTEE AND TRUST COMPANY, A CORPORATION, ENDORSED AS A MEMORIAL UNDER THE PROVISIONS OF THE LAND TITLE ACT, AS DOCUMENT NO. 158206 ON CERTIFICATE NO. FK-53593, ON DECEMBER 24, 1928.

APN: 8577-012-038

CONTAINS: 6,061 SQUARE FEET.

**NOTE:**

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

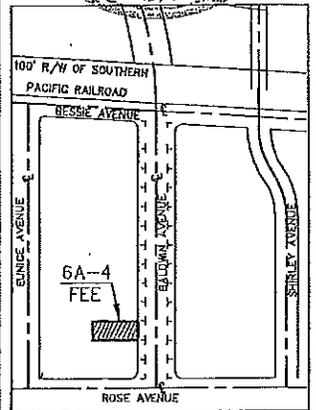
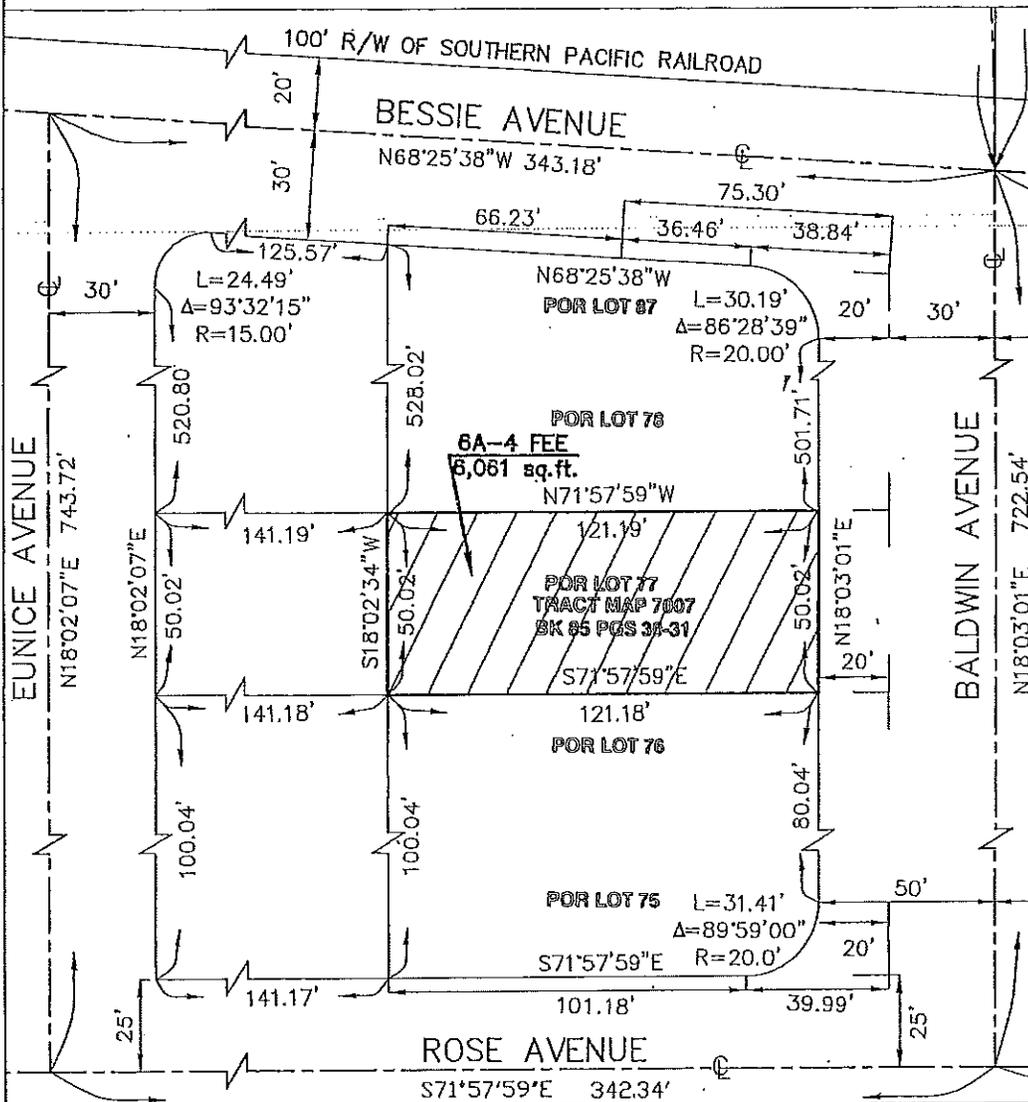
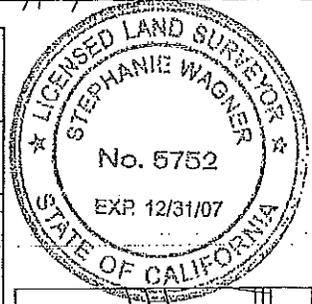
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE: /

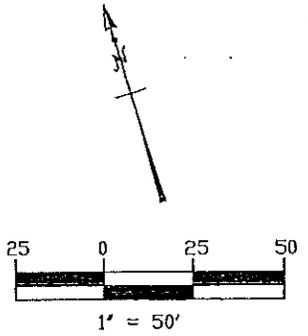


# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
JUVEN B. & RITA	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
INOSTROSO	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-038	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.



**BASIS OF BEARINGS:**

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,061	6,061	-

ALAMEDA CORRIDOR – EAST CONSTRUCTION AUTHORITY WAGNER ENGINEERING & SURVEY, INC. CHECKED BY: <i>[Signature]</i> L.S.: 5752 PROJECT MANAGER	GRADE SEPARATION #13 BALDWIN AVE. APPROVED BY: <i>[Signature]</i> 7/18/07 COUNTY OF LOS ANGELES	DATE: 05/30/07 SCALE: 1" = 50' REV. No.      DATE: REV. No.      DATE: ACE PARCEL No 6A-4 FEE
---	---	---

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6A-5**

THAT REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES,  
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 76 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES,  
STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF  
MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EASTERLY 20.00 FEET THEREOF, AS CONDEMNED BY THE CITY OF EL  
MONTE, IN THE FINAL ORDER OF CONDEMNATION, NO. C293913 RECORDED  
SEPTEMBER 24, 1980 AS INSTRUMENT NO. 80-934449, OFFICIAL RECORDS.

EXCEPT THE OIL, NAPHTHA, GAS, OR OTHER KINDRED SUBSTANCES DEPOSITED,  
LYING UNDER OR FLOWING THROUGH SAID LAND, AND THE RIGHT TO DRILL FOR  
ANY OF THE SAID SUBSTANCES ABOVE NAMED AND THE MARKETING OF THE  
SAME, AS RESERVED IN THE DEED FROM TITLE GUARANTEE AND TRUST  
COMPANY, A CORPORATION, ENDORSED AS A MEMORIAL UNDER THE  
PROVISIONS OF THE LAND TITLE ACT, AS DOCUMENT NO. 158206 ON CERTIFICATE  
NO. FK-53593, ON DECEMBER 24, 1928.

APN: 8577-012-014

CONTAINS: 6,061 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD  
BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR  
LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

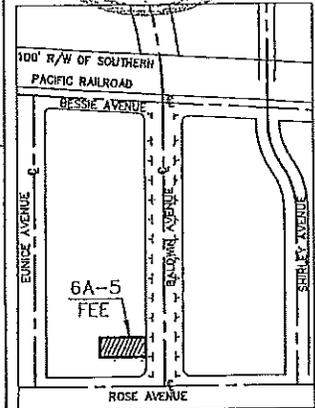
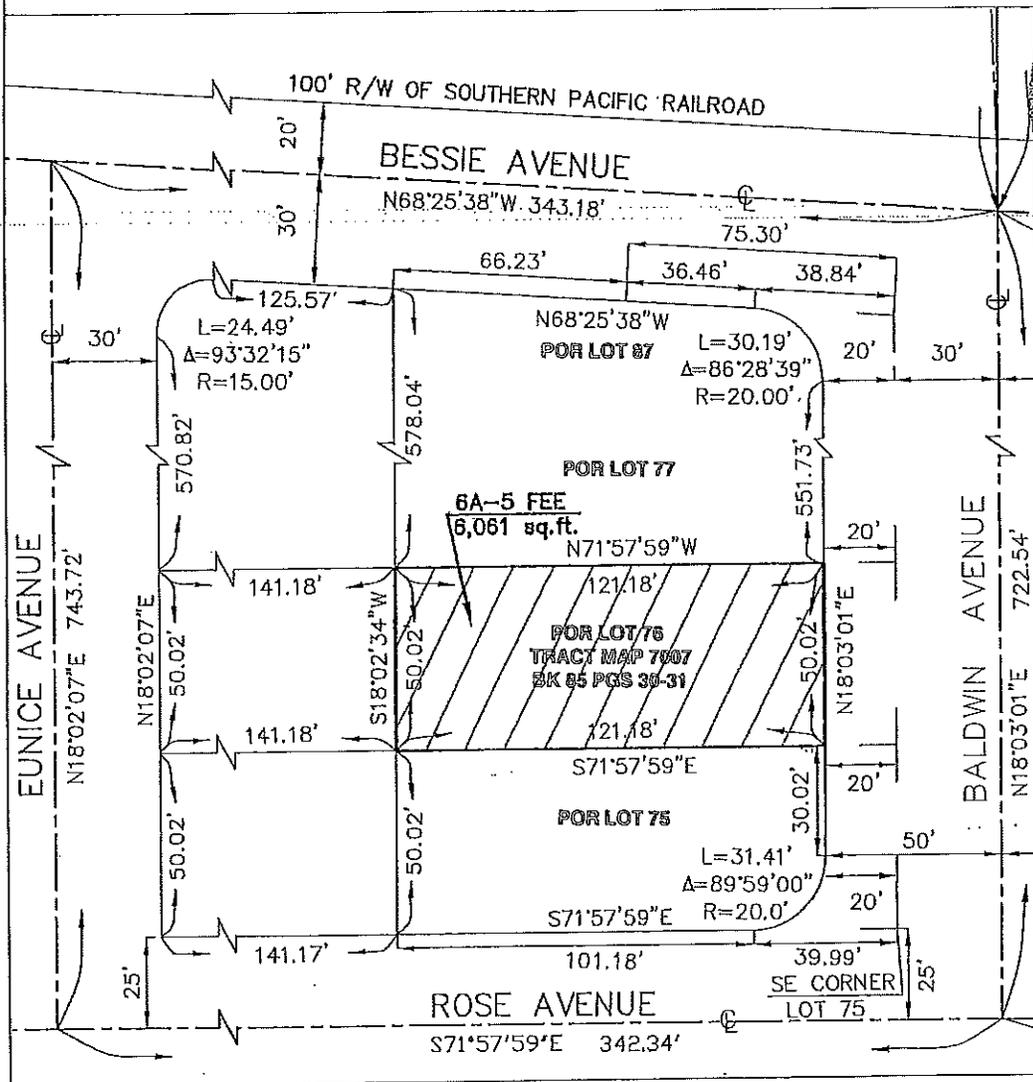
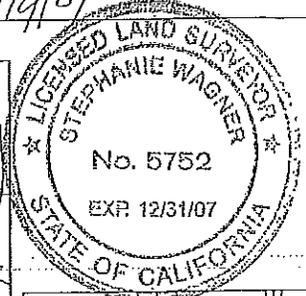
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE:

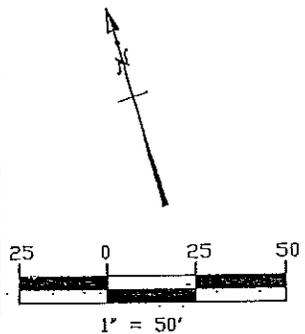


EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
SAMIR L. IBRAHIM OR	TRACT MAP No 7007	APPROVED: <i>Stephanie Wagner</i>
AWATIF T. IBRAHIM	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-014	COUNTY OF LOS ANGELES.	DATE: 7/19/07



VICINITY MAP  
N.T.S.



BASIS OF BEARINGS:

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,061	6,061	-

ALAMEDA CORRIDOR - EAST  
CONSTRUCTION AUTHORITY

GRADE SEPARATION  
#13 BALDWIN AVE.

DATE: 05/30/07

SCALE: 1" = 50'

REV. No. DATE:

REV. No. DATE:

ACE  
PARCEL No 6A-5 FEE

WAGNER ENGINEERING &  
SURVEY, INC.

ACE  
APPROVED BY:

*Stephanie A. Wagner* *Lou Cluster* 7/19/07  
CHECKED BY: L.S.:5752 PROJECT MANAGER DATE

COUNTY OF LOS ANGELES

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6A-6**

THAT REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 75 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGE (S) 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THAT PORTION OF SAID LOT, DESCRIBED IN DEED TO THE CITY OF EL MONTE, A MUNICIPAL CORPORATION RECORDED JULY 28, 1978 AS INSTRUMENT NO. 78-824738 AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 75; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID LOT 75 TO THE NORTHEASTERLY CORNER THEREOF; THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID LOT 75 TO THE WESTERLY LINE OF THE EASTERLY 20.00 FEET OF SAID LOT 75; THENCE SOUTHERLY ALONG SAID WESTERLY LINE TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 20.00 FEET SAID CURVE ALSO BEING TANGENT TO THE SOUTHERLY LINE OF SAID LOT 75; THENCE SOUTHWESTERLY AND WESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 31.41 FEET TO SAID SOUTHERLY LINE; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES AS RESERVED ON INSTRUMENTS OF RECORDS.

APN: 8577-012-031

CONTAINS: 5,975 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

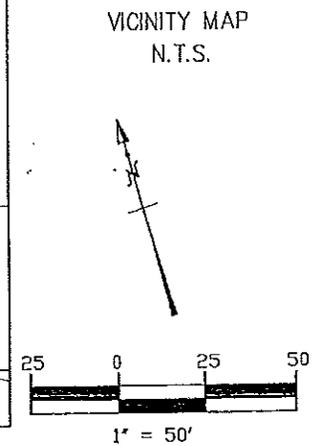
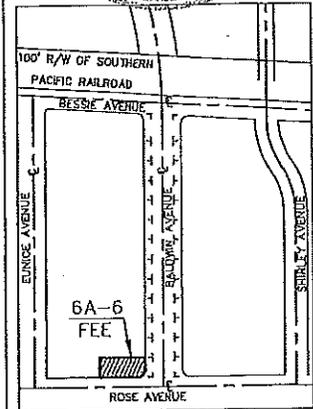
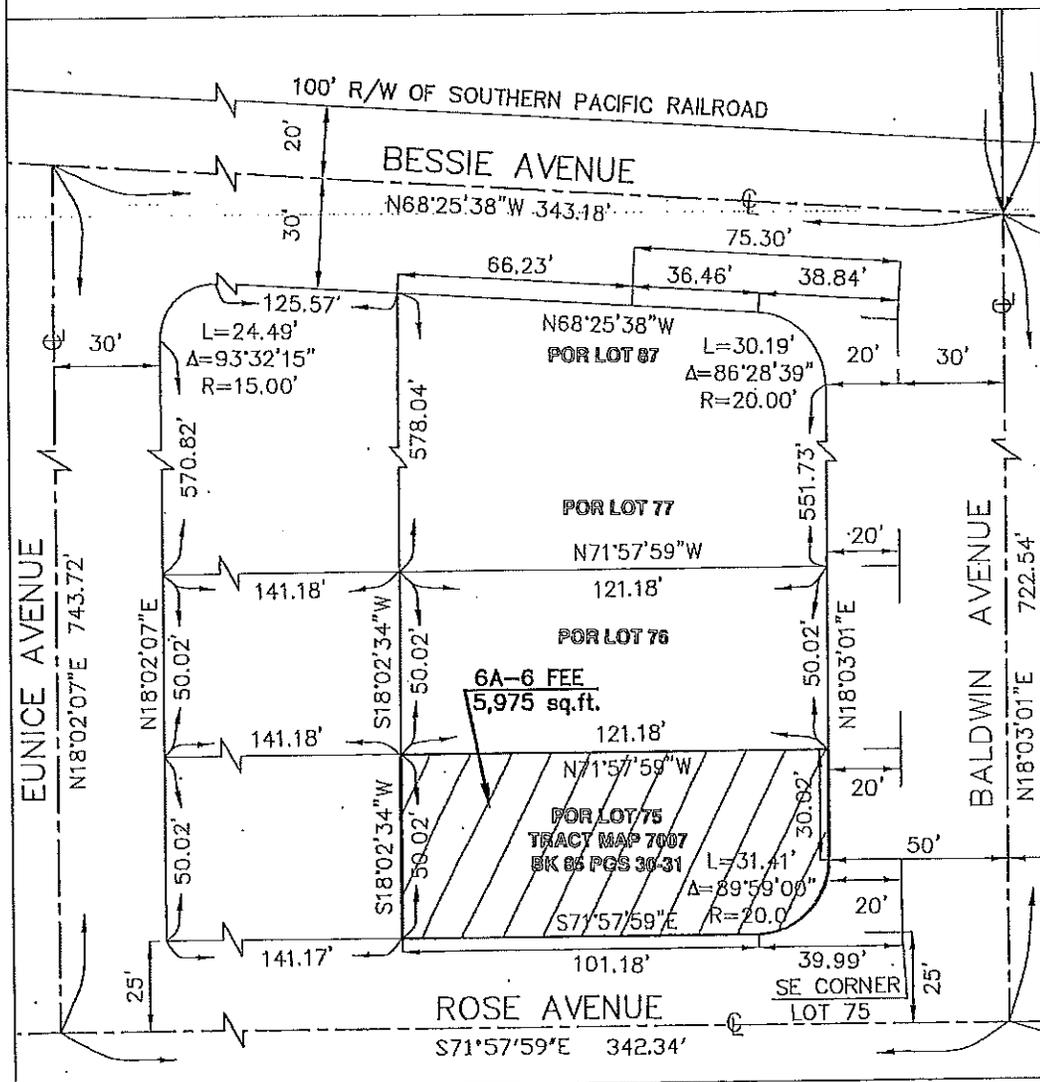
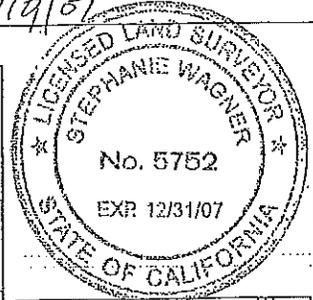
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE:



EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
GEORGE T. BARBERO	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-031	COUNTY OF LOS ANGELES	DATE: 7/19/07



BASIS OF BEARINGS:

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	5,975	5,975	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY		GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07
WAGNER ENGINEERING & SURVEY, INC.			SCALE: 1" = 50'
ACE APPROVED BY: <i>[Signature]</i>		COUNTY OF LOS ANGELES	REV. No. DATE:
CHECKED BY: <i>[Signature]</i>	L.S.: 5752 PROJECT MANAGER		REV. No. DATE:
			ACE PARCEL No 6A-6 FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6B**

THAT REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES,  
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 81 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES,  
STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGE (S) 30 AND 31  
OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EASTERLY 20.00 FEET OF SAID LOT AS GRANTED TO THE CITY OF EL  
MONTE, A MUNICIPAL CORPORATION, BY DEED RECORDED MAY 23, 1980 AS  
INSTRUMENT NO. 80-51204.

ALSO EXCEPT THEREFROM ALL OIL, NAPHTHA, GAS AND KINDRED SUBSTANCES,  
AS RESERVED IN THE DEED FROM TITLE GUARANTEE AND TRUST COMPANY,  
REGISTERED SEPTEMBER 10, 1936 AS DOCUMENT NO. 12554-E.

APN: 8577-012-040

CONTAINS: 6,063 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD  
BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR  
LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

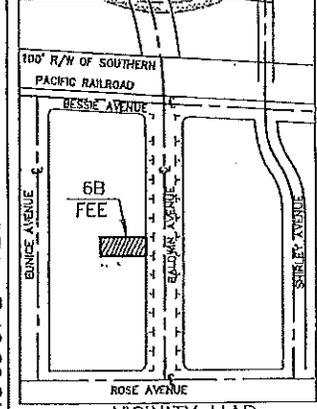
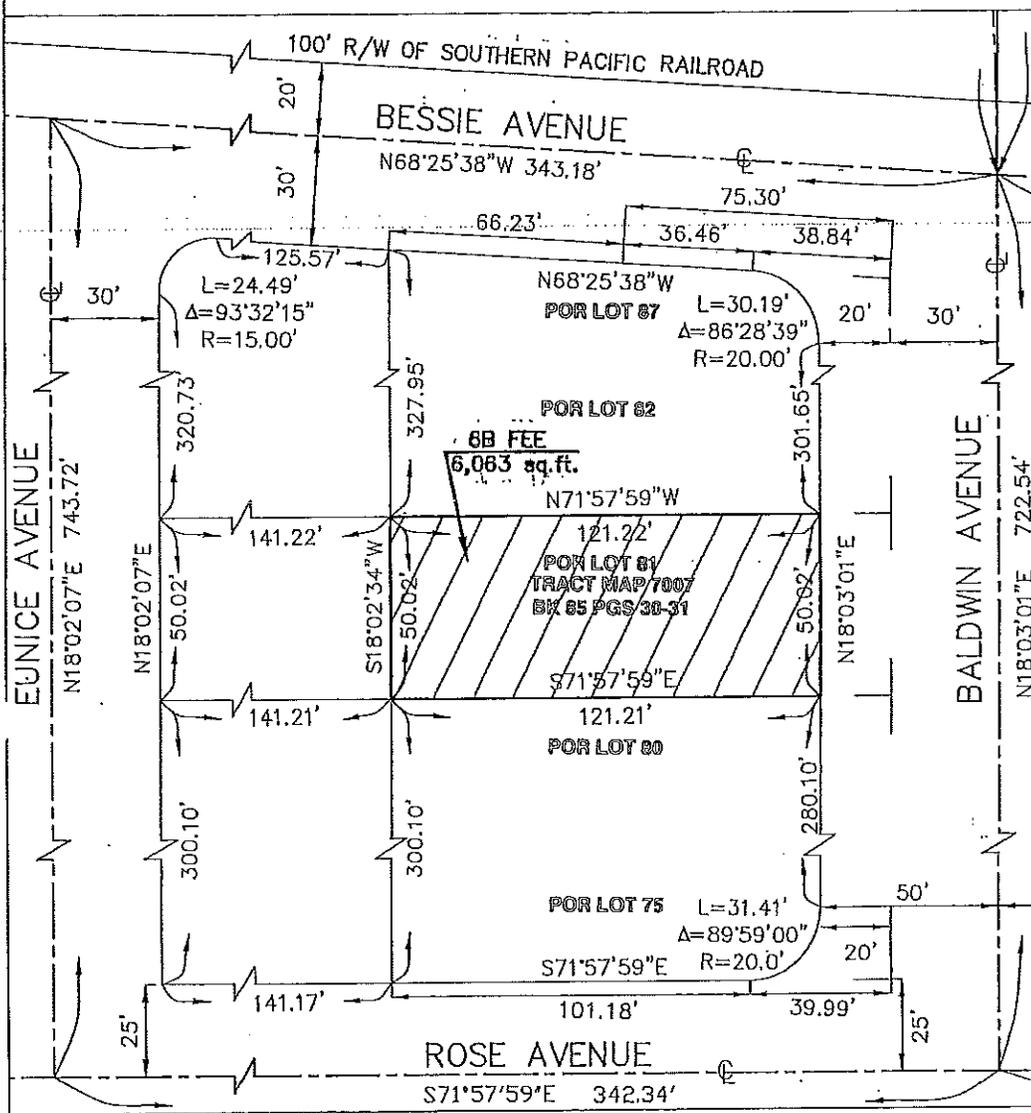
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S./5752

*May 30, 2007*  
DATE:

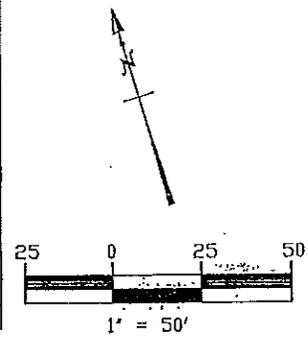


# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
JAVIER G. VARELA, SR.	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-040	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.



BASIS OF BEARINGS:

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,063	6,063	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY	GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07
WAGNER ENGINEERING & SURVEY, INC.	ACE APPROVED BY: <i>[Signature]</i>	SCALE: 1" = 50'
CHECKED BY: <i>[Signature]</i>	PROJECT MANAGER: <i>[Signature]</i>	REV. No.      DATE:
L.S.: 5752	DATE: 7/18/07	REV. No.      DATE:
COUNTY OF LOS ANGELES	COUNTY OF LOS ANGELES	ACE PARCEL No 6B FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6-C**

THAT REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

LOT 82 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EASTERLY 20 FEET OF SAID LOT 82 PER INSTRUMENT NO. 78-782989 RECORDED JULY 19, 1978, OFFICIAL RECORDS TO THE CITY OF EL MONTE.

ALSO EXCEPT THEREFROM ALL OIL, NAPHTHA, GAS, OR OTHER KINDRED SUBSTANCES TOGETHER WITH THE RIGHT TO DRILL FOR THE SAME AS CONTAINED IN THE DEED REGISTERED JULY 25, 1936, AS INSTRUMENT NO. 10232-E.

APN: 8577-012-033

CONTAINS: 6,063 SQUARE FEET.

NOTE:  
THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

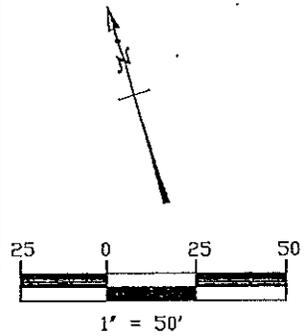
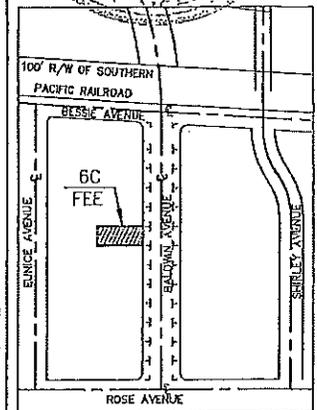
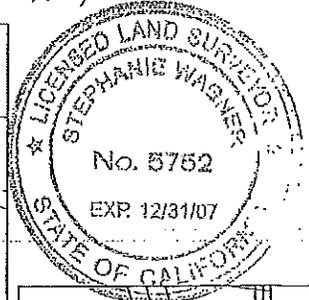
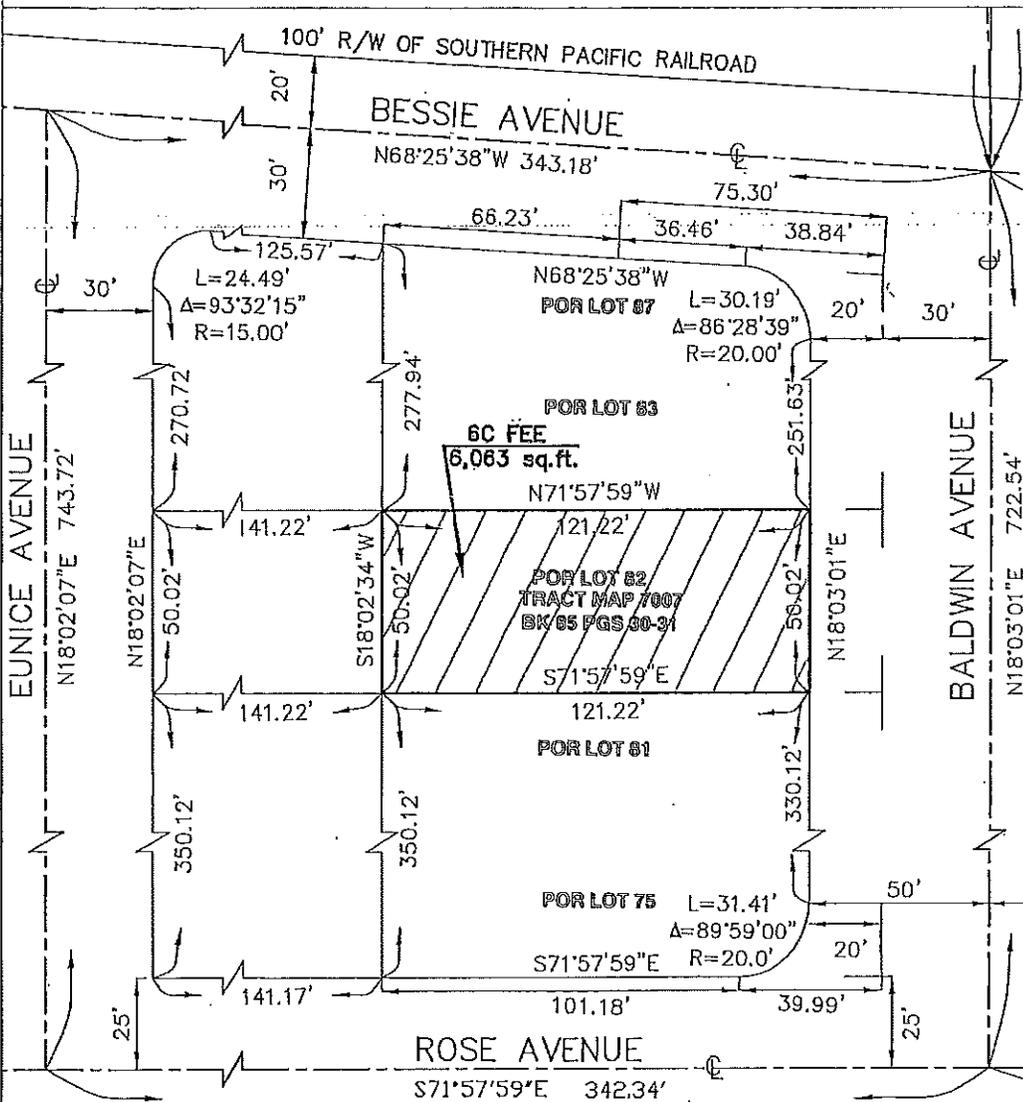
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE



EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
LYDIA A. WENCES	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
	BOOK 85 PAGES 30-31	CHIEF/EXECUTIVE OFFICER
A.P.N. 8577-012-033	COUNTY OF LOS ANGELES	DATE: 7/19/07



BASIS OF BEARINGS:

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,063	6,063	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY		GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07
WAGNER ENGINEERING & SURVEY, INC.			SCALE: 1" = 50'
ACE APPROVED BY: <i>[Signature]</i>		COUNTY OF LOS ANGELES	REV. No. DATE:
CHECKED BY: L.S.:5752 PROJECT MANAGER DATE: 7/18/07			REV. No. DATE:
			ACE PARCEL No 6C FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6-D**

THAT REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

LOT 83 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, NAPHTHA, GAS, AND OTHER KINDRED SUBSTANCES DEPOSITED UNDER SAID LAND AS RESERVED IN DEED RECORDED APRIL 23, 1964 AS INSTRUMENT NO. 2538, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, THE EASTERLY 20.00 FEET OF SAID LOT CONVEYED TO THE CITY OF EL MONTE AS DESCRIBED IN DOCUMENT RECORDED APRIL 23, 1964 AS INSTRUMENT NO. 2538, OFFICIAL RECORDS.

APN: 8577-012-035

CONTAINS: 6,063 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

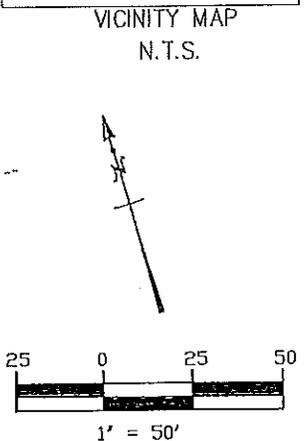
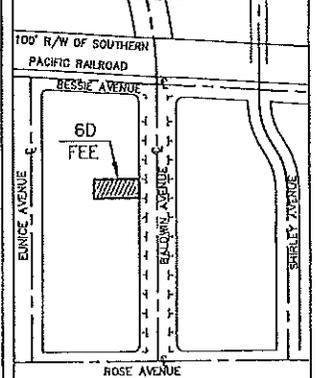
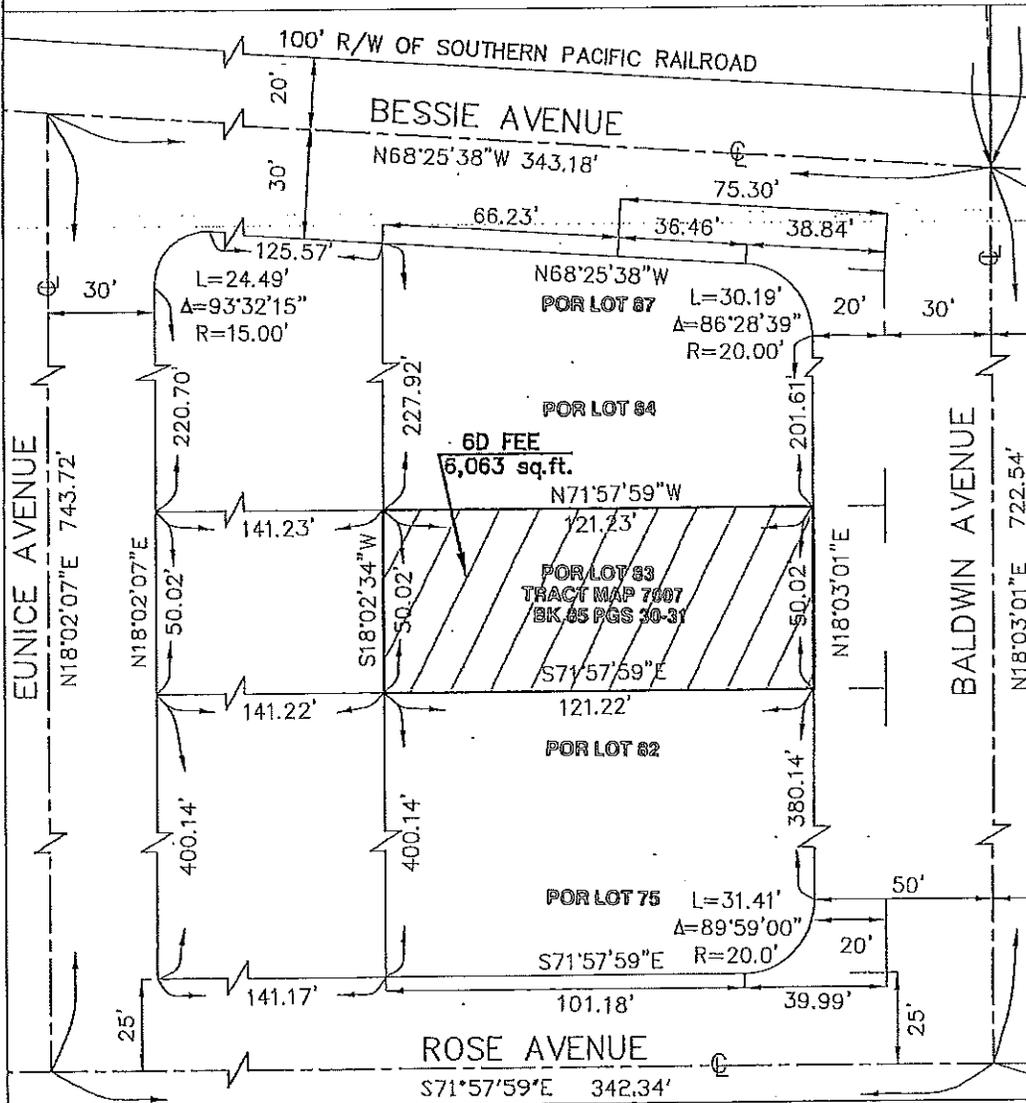
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE



# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
MIGUEL & ARACELI	TRACT MAP No. 7007	APPROVED: <i>[Signature]</i>
VALENCIA	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-035	COUNTY OF LOS ANGELES	DATE: 7/19/07



BASIS OF BEARINGS:

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,063	6,063	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY  WAGNER ENGINEERING & SURVEY, INC. <i>Stephanie A. Wagner</i> CHECKED BY: L.S.: 5752	ACE APPROVED BY: <i>[Signature]</i> PROJECT MANAGER	GRADE SEPARATION #13 BALDWIN AVE.  COUNTY OF LOS ANGELES	DATE: 05/30/07 SCALE: 1" = 50' REV. No.      DATE: REV. No.      DATE: ACE PARCEL No 6D FEE
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**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6-E**

THAT REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

LOT 84 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, THE EASTERLY 20.00 FEET OF SAID LAND, AS CONVEYED TO THE CITY OF EL MONTE IN DEED RECORDED AUGUST 4, 1978 AS INSTRUMENT NO. 78-855562, OFFICIAL RECORDS.

EXCEPT THEREFROM, ALL OIL, GAS, MINERALS AND OTHER HYDROCARBONS, AS RESERVED IN INSTRUMENTS OF RECORD.

APN: 8577-012-034

CONTAINS: 6,064 SQUARE FEET.

**NOTE:**

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

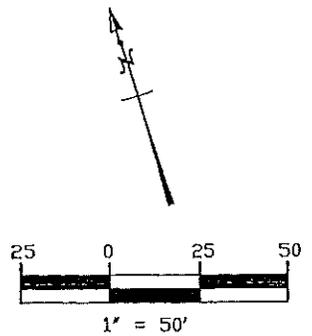
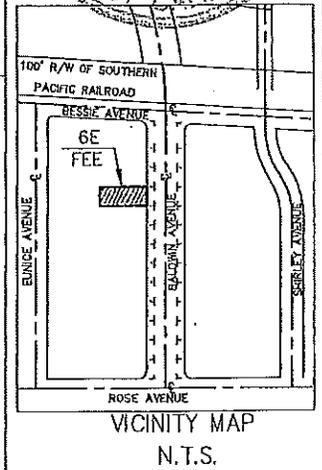
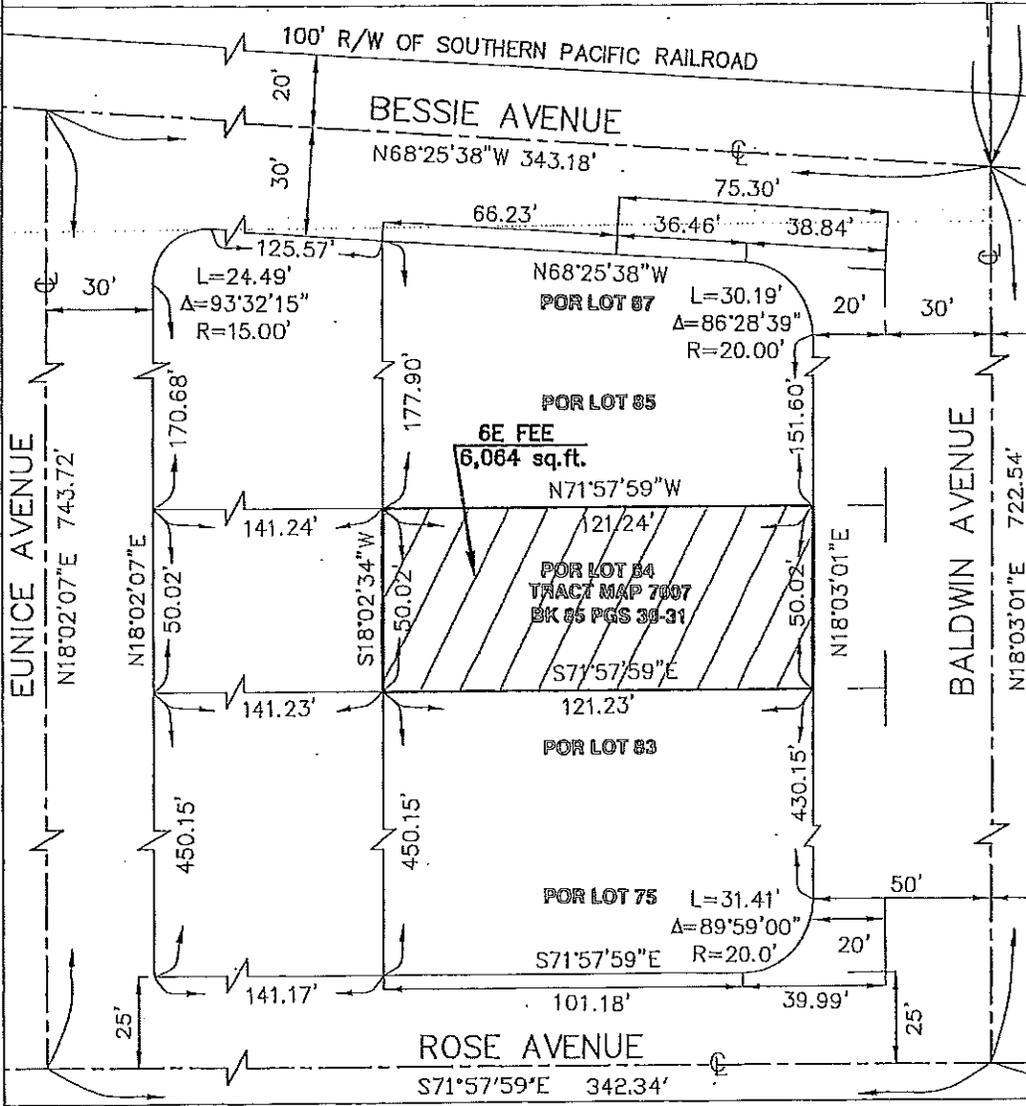
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S./5752

*May 30, 2007*  
DATE: *✓*



EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
SANTIAGO LOPEZ &	TRACT MAP No 7007	APPROVED: <i>Stephanie Wagner</i>
SARAH LOPEZ	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-034	COUNTY OF LOS ANGELES	DATE: 7/19/07



BASIS OF BEARINGS:

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,064	6,064	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY

WAGNER ENGINEERING & SURVEY, INC.  
*Stephanie A. Wagner*  
 CHECKED BY: L.S.:5752

ACE APPROVED BY:  
*Lou Cluster* 7/18/07  
 PROJECT MANAGER DATE

GRADE SEPARATION #13 BALDWIN AVE.  
 COUNTY OF LOS ANGELES

DATE:	05/30/07
SCALE:	1" = 50'
REV. No.	DATE:
REV. No.	DATE:
ACE PARCEL No	6E FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6F-1**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

**PARCEL 1:**

LOT 85 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, NAPHTHA, GAS OR OTHER KINDRED SUBSTANCES DEPOSITED UNDER SAID LAND.

ALSO EXCEPT THE EASTERLY 20.00 FEET.

**PARCEL 2:**

LOTS 86 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EASTERLY 20.00 FEET.

ALSO EXCEPT ALL OIL AND GAS IN AND UNDER SAID LAND AS RESERVED IN DEED FROM TITLE GUARANTEE AND TRUST COMPANY, REGISTERED ON JUNE 3, 1924 AS DOCUMENT NO. 58254 AND RECORDED JUNE 3, 1924 IN BOOK 3127 PAGE 176, OFFICIAL RECORDS.

APN: 8577-012-036, 037

CONTAINS: 12,129 SQUARE FEET.

**NOTE:**

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

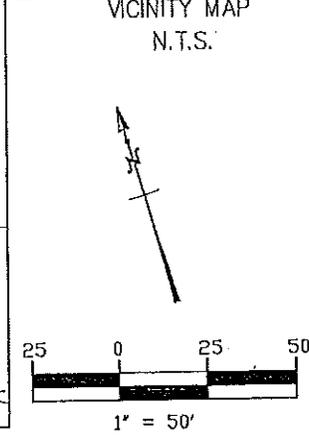
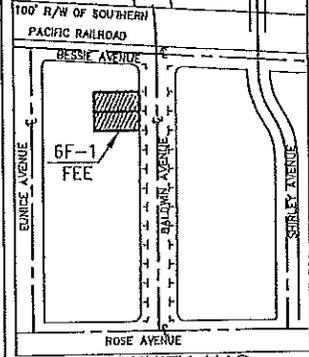
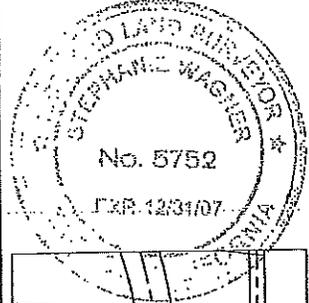
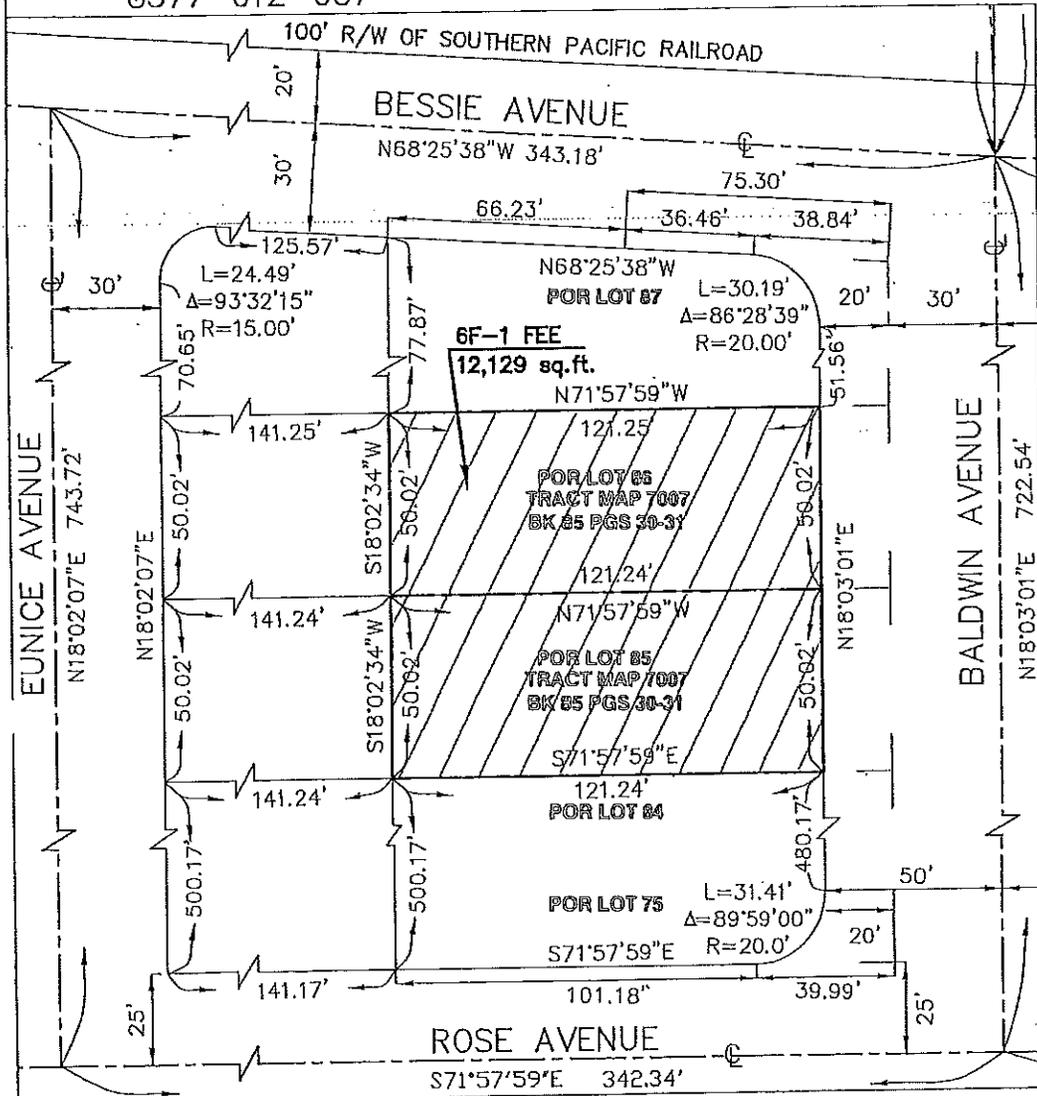
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE



# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
SARKIS & ZEPUR	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
BATANIAN	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-036	COUNTY OF LOS ANGELES	DATE: 7/19/07
8577-012-037		



**BASIS OF BEARINGS:**

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	12,129	12,129	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY		GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07
WAGNER ENGINEERING & SURVEY, INC.			SCALE: 1" = 50'
CHECKED BY: <i>[Signature]</i>	L.S.: 5752	APPROVED BY: <i>[Signature]</i>	REV. No. DATE:
		COUNTY OF LOS ANGELES	REV. No. DATE:
			ACE PARCEL No 6F-1 FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6J-1**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 87 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 87; THENCE NORTH 68°25'38" WEST ALONG THE NORTHERLY LINE OF SAID LOT, 75.30 FEET TO THE LINE PARALLEL WITH THE WEST LINE OF SAID LOT; THENCE ALONG SAID PARALLEL LINE SOUTH 18°02'34" WEST 73.79 FEET, TO THE SOUTHERLY LINE OF SAID LOT; THENCE SOUTH 71°57'59" EAST ALONG THE SOUTHERLY LINE OF SAID LOT 75.15 FEET TO THE SOUTHEAST CORNER OF SAID LOT; THENCE NORTH 18°03'01" EAST ALONG THE EASTERLY LINE OF SAID LOT 69.15 FEET, TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION CONDEMNED BY THE CITY OF EL MONTE IN THE FINAL ORDER OF CONDEMNATION, NO. C 293553 RECORDED JUNE 9, 1981 AS INSTRUMENT NO. 81-573285, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, NAPHTHA, GAS OR OTHER KINDRED SUBSTANCES DEPOSITED, LYING UNDER OR FLOWING THROUGH SAID PROPERTY AS EXCEPTED IN DEED EXECUTED BY THOMAS O. DAVIS AND RUTH E. DAVIS, "TORRENS REGISTRATION" REGISTERED JUNE 3, 1954 AS DOCUMENT NO. 8846W.

APN: 8577-012-043

CONTAINS: 3,901 SQUARE FEET.

**NOTE:**

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

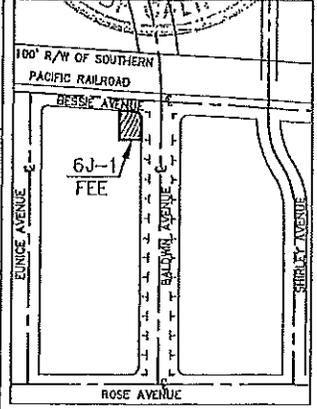
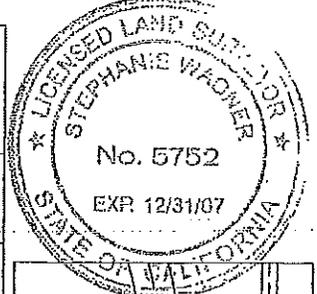
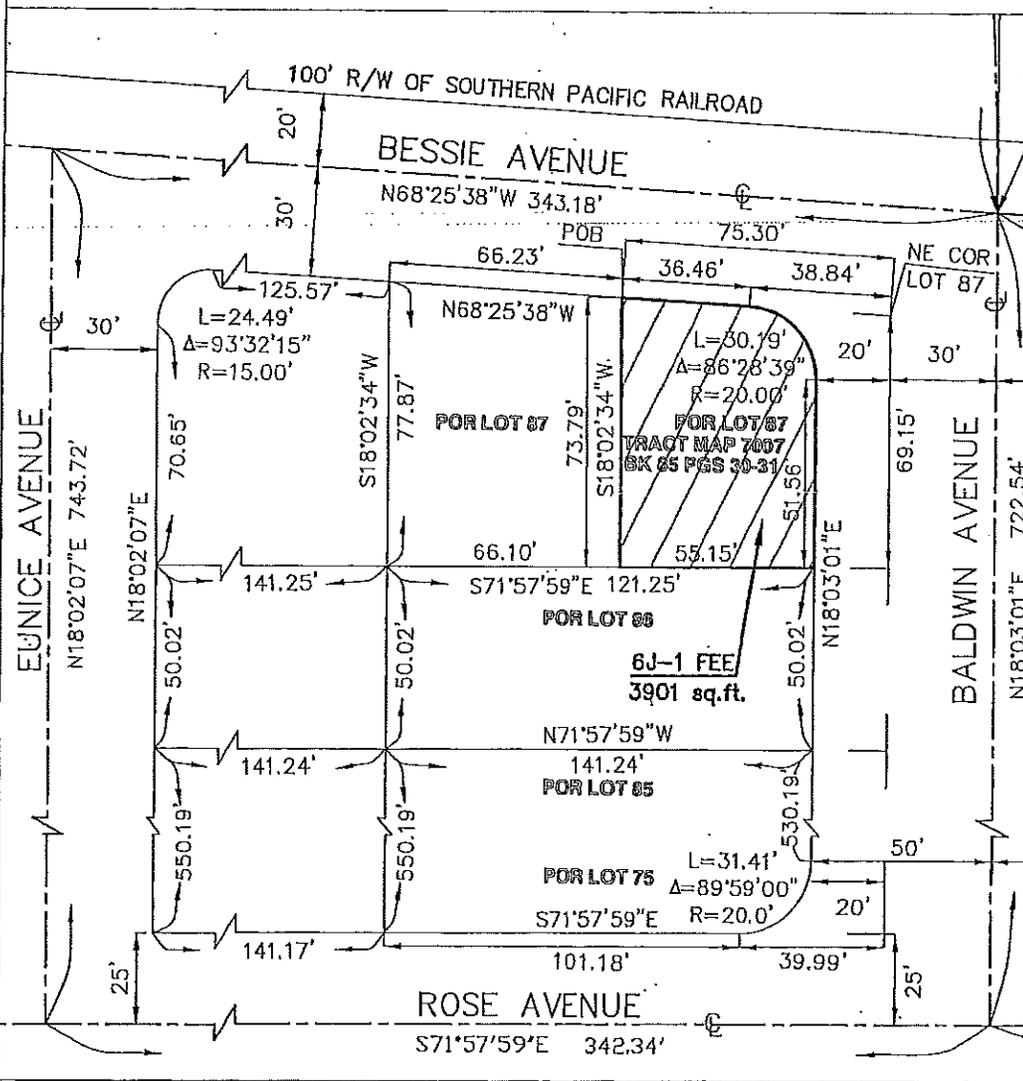
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*June 13, 2007*  
DATE:



EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
JAMES GIUSTO &	TRACT MAP No 7007	APPROVED: <i>Stephanie Wagner</i>
BETTY GIUSTO	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-043	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.

BASIS OF BEARINGS:

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	3,901	3,901	—

ALAMEDA CORRIDOR — EAST CONSTRUCTION AUTHORITY

WAGNER ENGINEERING & SURVEY, INC.

APPROVED BY: *Stephanie A. Wagner* 7/18/07

CHECKED BY: L.S.:5752 PROJECT MANAGER DATE

GRADE SEPARATION #13 BALDWIN AVE.

COUNTY OF LOS ANGELES

DATE: 05/30/07

SCALE: 1" = 50'

REV. No. DATE:

REV. No. DATE:

ACE PARCEL No 6J-1 FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6J-2**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 87 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID LOT, DISTANT NORTH 68°25'38" WEST THEREON 75.30 FEET FROM THE NORTHEAST CORNER OF SAID LOT;

THENCE ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID LOT, SOUTH 18°02'34" WEST 73.78 FEET, TO THE SOUTHERLY LINE OF SAID LOT;

THENCE NORTH 71°57'59" WEST ALONG THE SOUTHERLY LINE OF SAID LOT 66.10 FEET TO THE SOUTHWEST CORNER OF SAID LOT;

THENCE NORTH 18°02'34" EAST ALONG THE WESTERLY LINE OF SAID LOT, 77.87 FEET TO THE NORTHWEST CORNER OF SAID LOT;

THENCE SOUTH 68°25'38" EAST ALONG THE NORTHERLY LINE OF SAID LOT, 66.23 FEET, TO THE POINT OF BEGINNING.

APN: 8577-012-025

CONTAINS: 5,012 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

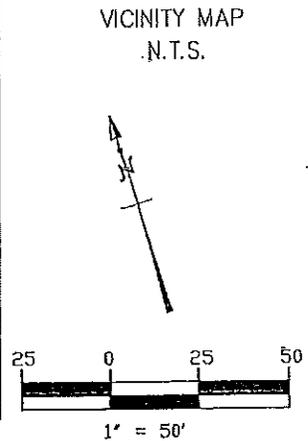
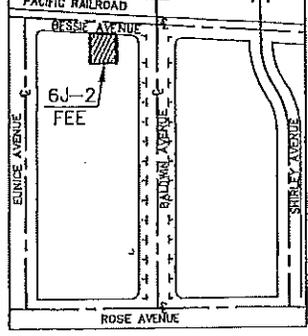
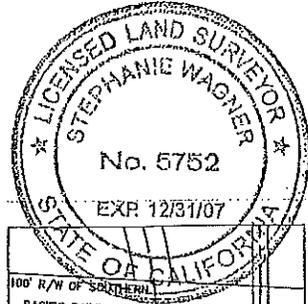
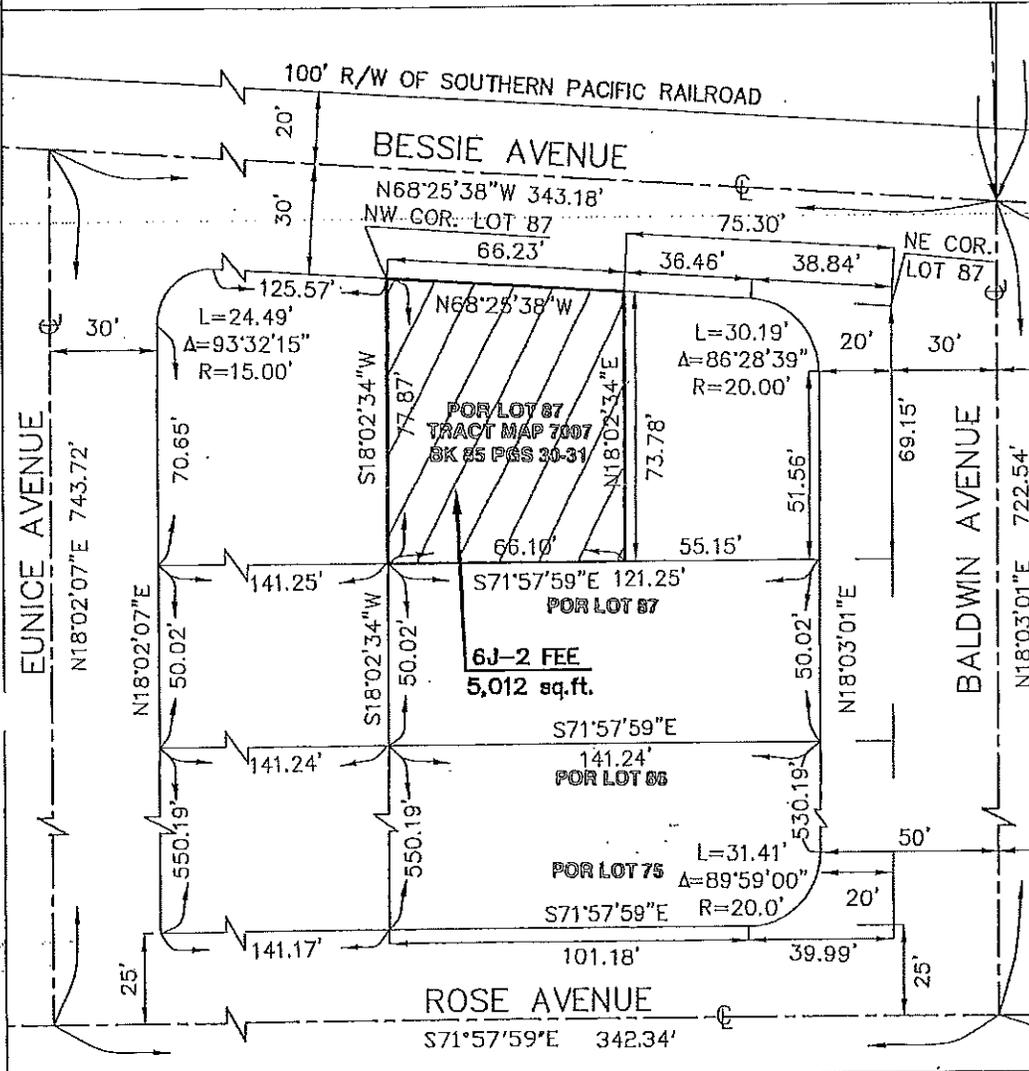
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*June 13, 2007*  
DATE:



# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
JESUS G. & MARIA D. HERRERA	TRACT MAP No 7007	APPROVED: <i>Stephanie Wagner</i>
	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-012-025	COUNTY OF LOS ANGELES	DATE: 7/19/07



**BASIS OF BEARINGS:**

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	5,012	5,012	-

**ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY**

WAGNER ENGINEERING & SURVEY, INC.  
*Stephanie A. Wagner*  
CHECKED BY: L.S.: 5752

ACE APPROVED BY:  
*Lou Christensen*  
PROJECT MANAGER DATE: 7/19/07

**GRADE SEPARATION #13 BALDWIN AVE.**

COUNTY OF LOS ANGELES

DATE: 06/13/07

SCALE: 1" = 50'

REV. No.      DATE:

REV. No.      DATE:

ACE PARCEL No 6J-2 FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6L-1**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 95 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WESTERLY 20 FEET CONVEYED TO THE CITY OF EL MONTE BY DEED RECORDED DECEMBER 22, 1980 AS INSTRUMENT NO. 80-1279910, OFFICIAL RECORDS.

APN: 8577-014-035

CONTAINS: 6,071 SQUARE FEET.

NOTE:  
THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

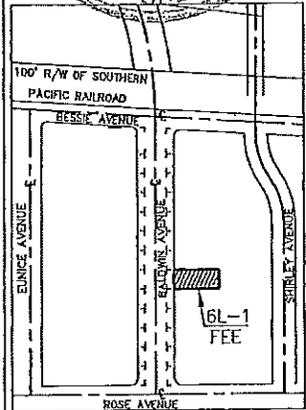
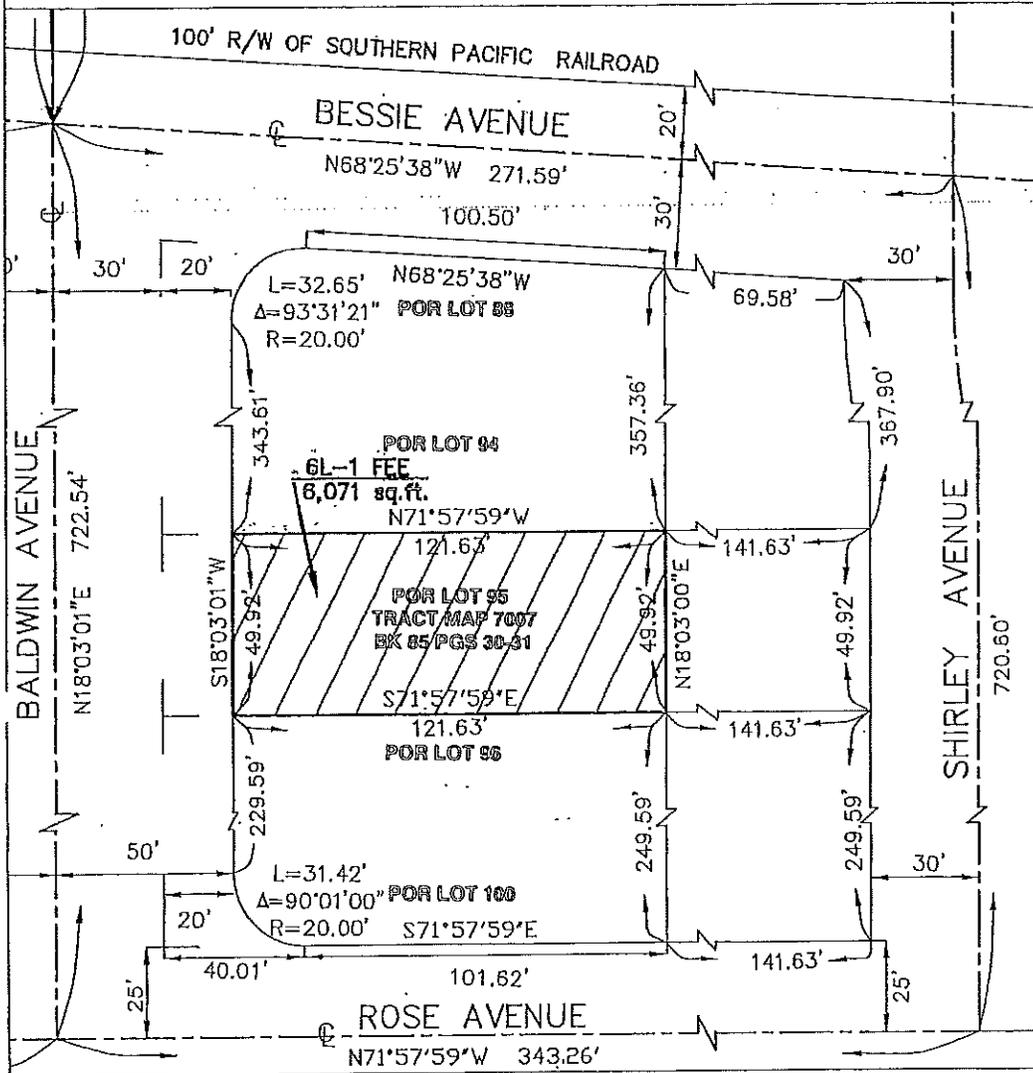
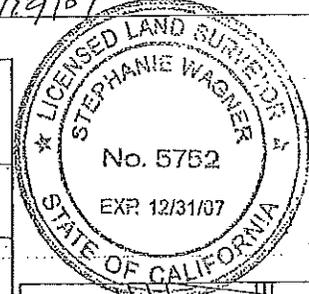
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE

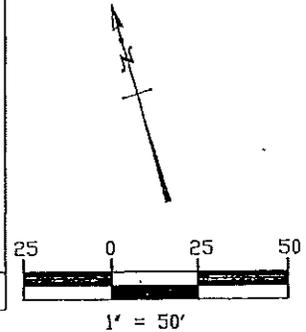


# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
TERESA SANCHEZ	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-014-035	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.



**BASIS OF BEARINGS:**

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,071	6,071	--

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY		GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07
WAGNER ENGINEERING & SURVEY, INC.			SCALE: 1" = 50'
CHECKED BY: <i>[Signature]</i>	LS.: 5752	PROJECT MANAGER: <i>[Signature]</i>	DATE: 7/18/07
		COUNTY OF LOS ANGELES	ACE PARCEL No 6L-1 FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6L-2**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 96 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 20 FEET CONVEYED TO THE CITY OF EL MONTE, A MUNICIPAL CORPORATION BY DEED RECORDED JANUARY 31, 1979 AS INSTRUMENT NO. 79-131360, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, NAPHTHA, GAS OR OTHER KINDRED SUBSTANCES IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM TITLE INSURANCE AND TRUST COMPANY, A CORPORATION, REGISTERED OCTOBER 23, 1926 AS DOCUMENT 107472.

APN: 8577-014-031

CONTAINS: 6,071 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

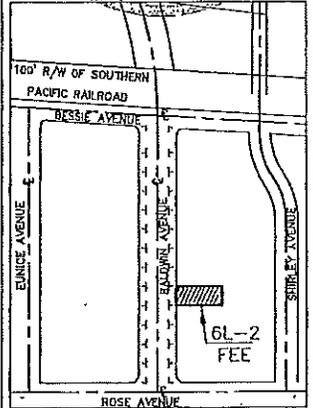
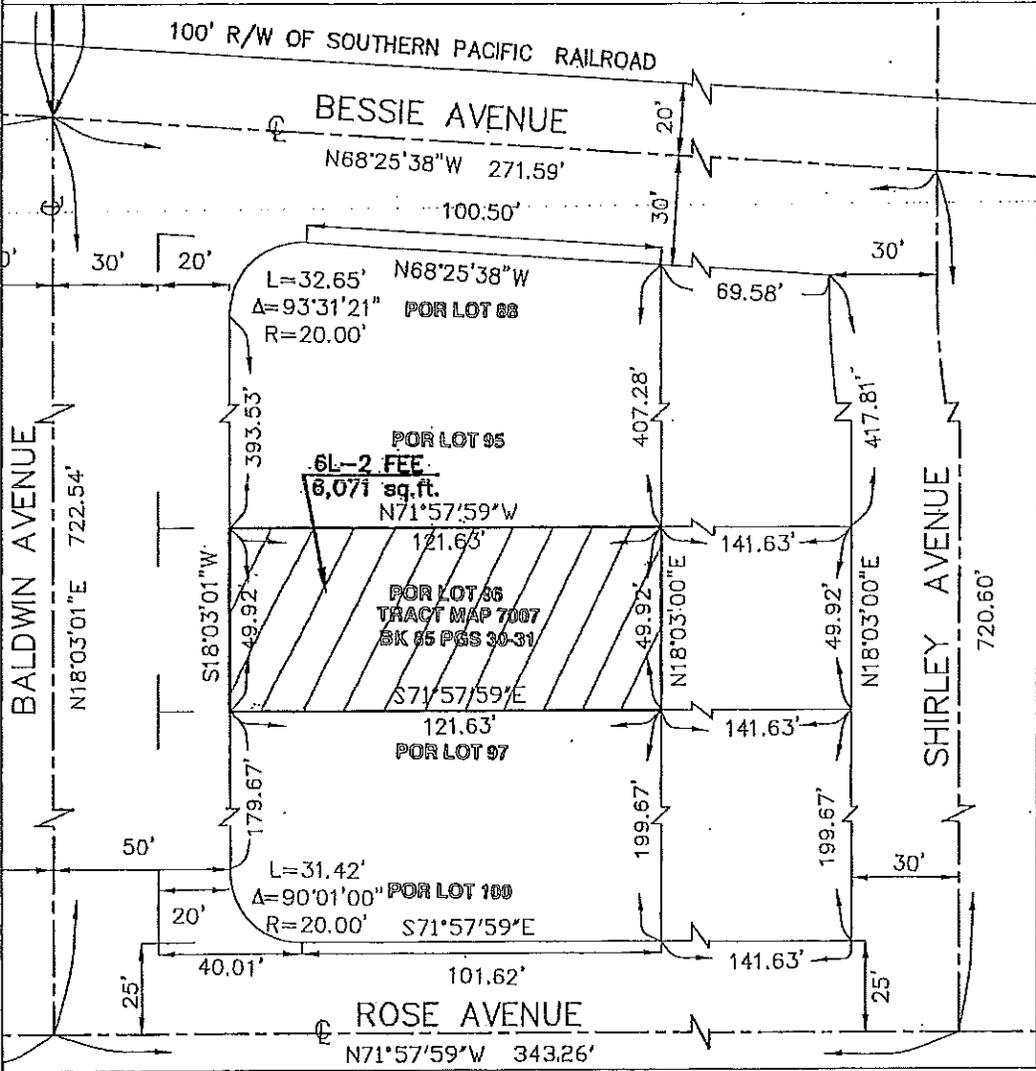
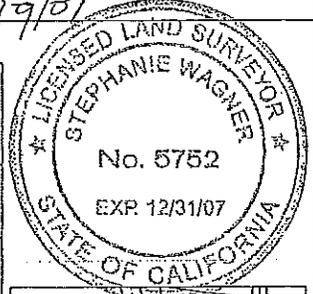
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE

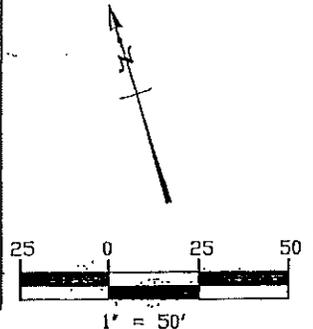


EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
JASTINO V. DE LEON &	TRACT MAP No 7007	APPROVED: <i>George W. Kelly</i>
GUADALUPE L. DE LEON	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-014-031	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.



BASIS OF BEARINGS:

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,071	6,071	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY		GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07
WAGNER ENGINEERING & SURVEY, INC.			SCALE: 1" = 50'
ACE APPROVED BY: <i>Lou Cluster</i> 07/18/07 CHECKED BY: <i>Stephanie A. Wagner</i> L.S.: 5752		COUNTY OF LOS ANGELES	REV. No.      DATE: REV. No.      DATE: ACE PARCEL No 6L-2 FEE
PROJECT MANAGER		DATE	

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6L-3**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 97 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 20 FEET CONVEYED TO THE CITY OF EL MONTE, A MUNICIPAL CORPORATION BY DEED RECORDED DECEMBER 28, 1978 AS INSTRUMENT NO. 78-1439297, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, NAPHTHA, GAS OR OTHER KINDRED SUBSTANCES DEPOSITED, LYING UNDER OR FLOWING THROUGH SAID PROPERTY AND ALSO RESERVING THE RIGHT TO DRILL FOR ANY OF THE SAID SUBSTANCES NAMED ABOVE AND THE MARKETING OF THE SAME AS PROVIDED IN THE DEED REGISTERED MARCH 20, 1928 AS DOCUMENT NO. 141478 ON CERTIFICATE NO. EV49124.

APN: 8577-014-030

CONTAINS: 6,071 SQUARE FEET.

NOTE:  
THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

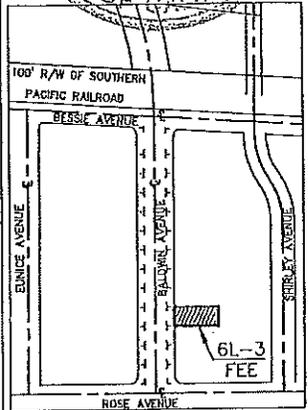
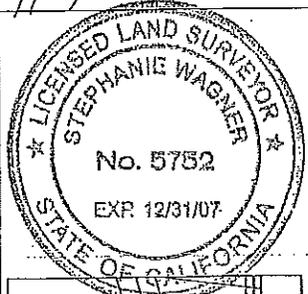
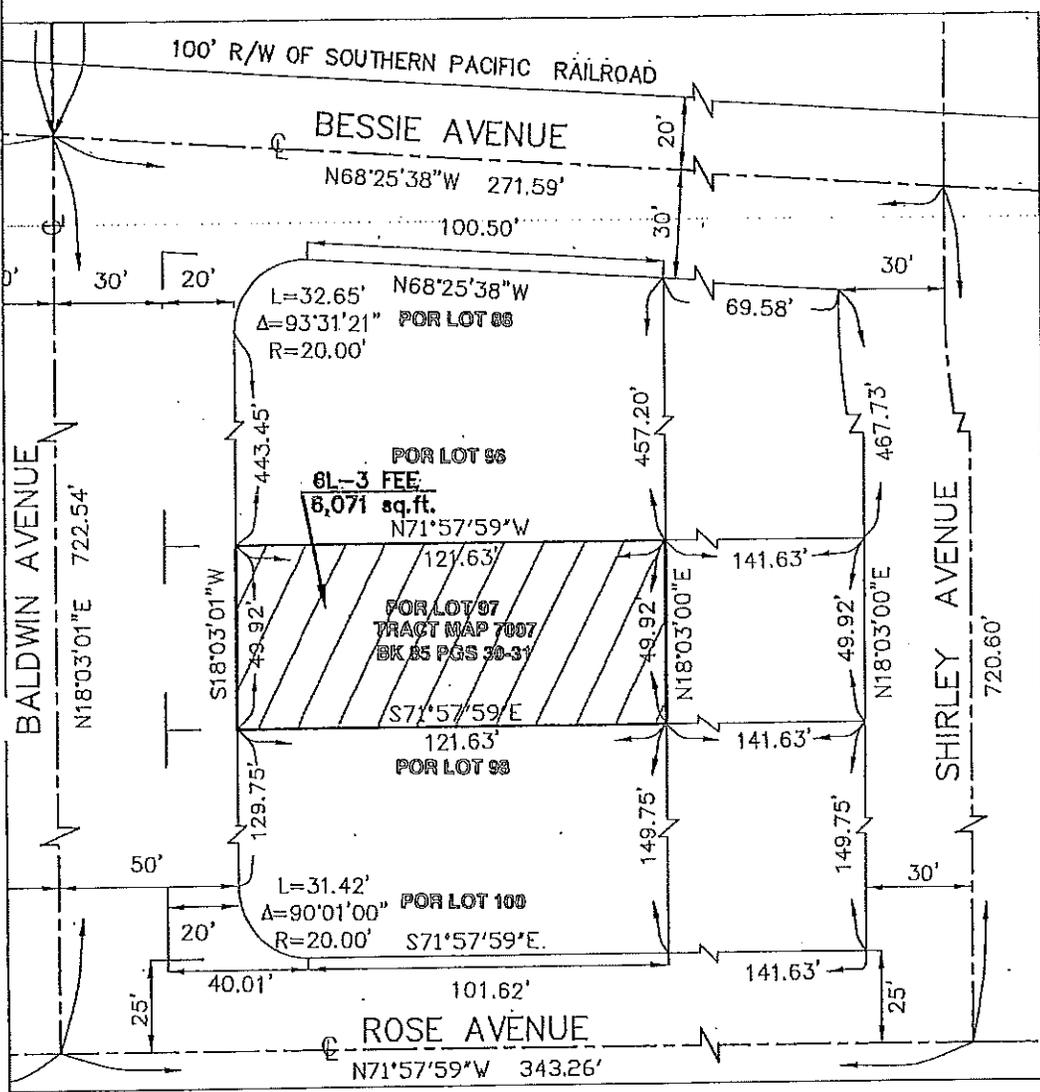
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE

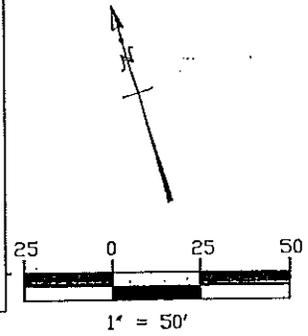


# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
RÓGELIO & OBDULIA	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
HERNANDEZ	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-014-030	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.



**BASIS OF BEARINGS:**

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,071	6,071	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY		GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07
WAGNER ENGINEERING & SURVEY, INC.			SCALE: 1" = 50'
WAGNER ENGINEERING & SURVEY, INC. <i>Stephanie A. Wagner</i> CHECKED BY: L.S.: 5752		ACE APPROVED BY: <i>[Signature]</i> PROJECT MANAGER	DATE: REV. No.      DATE: REV. No.      DATE: ACE PARCEL No 6L-3 FEE
7/18/07 DATE		COUNTY OF LOS ANGELES	

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6L-4**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 98 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 20 FEET CONVEYED TO THE CITY OF EL MONTE, A MUNICIPAL CORPORATION BY DEED RECORDED JUNE 11, 1980 AS INSTRUMENT NO. 80-564337, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, NAPHTHA, GAS OR OTHER KINDRED SUBSTANCES IN OR UNDER SAID LAND AS RESERVED IN THE DEED REGISTERED MARCH 30, 1928, AS DOCUMENT NO. 141478, IN THE OFFICE OF THE REGISTRAR OF TITLES AND RECORDED IN BOOK 7875, PAGE 77, OFFICIAL RECORDS.

APN: 8577-014-034

CONTAINS: 6,071 SQUARE FEET.

**NOTE:**

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

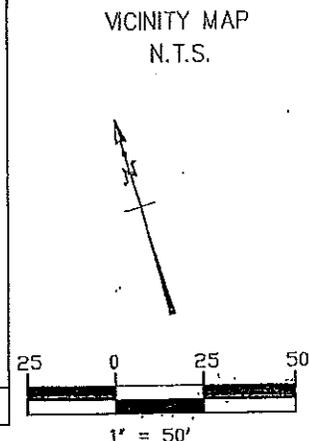
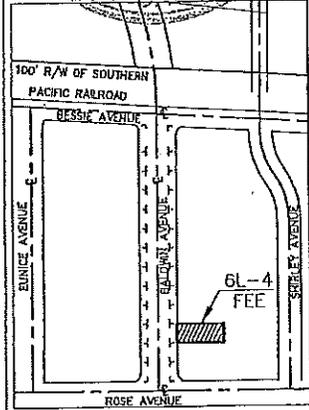
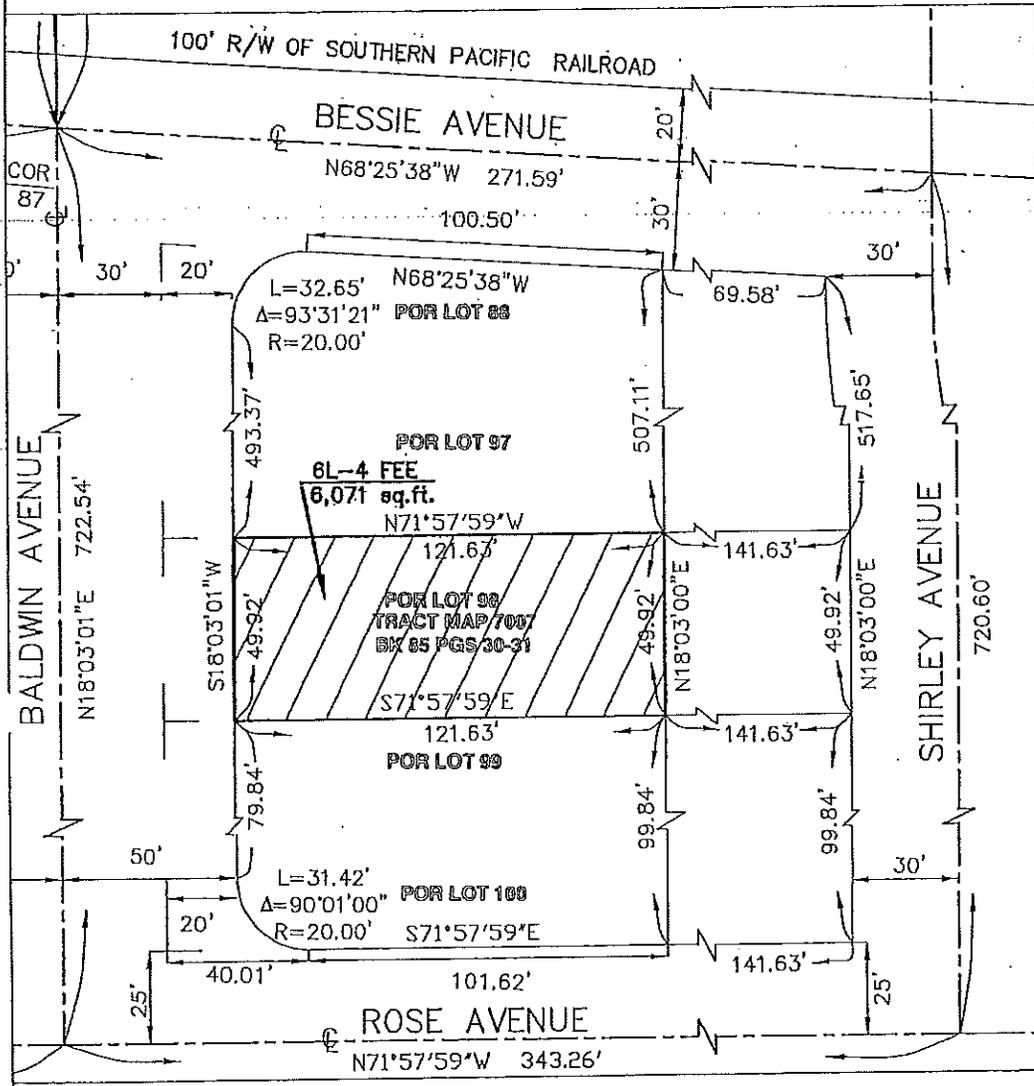
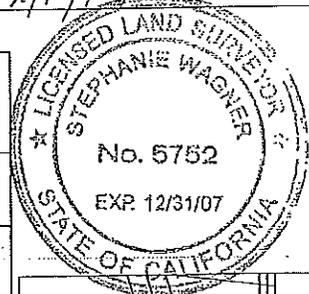
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE:



# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
DAVID B. GOMEZ	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-014-034	COUNTY OF LOS ANGELES	DATE: 7/19/07



**BASIS OF BEARINGS:**

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,071	6,071	-

**ALAMEDA CORRIDOR – EAST CONSTRUCTION AUTHORITY**

WAGNER ENGINEERING & SURVEY, INC.      ACE APPROVED BY: *[Signature]* 7/18/07

CHECKED BY: *[Signature]* L.S.: 5752      PROJECT MANAGER      DATE

**GRADE SEPARATION #13 BALDWIN AVE.**

COUNTY OF LOS ANGELES

DATE:	05/30/07
SCALE:	1" = 50'
REV. No.	DATE:
REV. No.	DATE:
ACE PARCEL No	6L-4 FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6L-5**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 99 AND 100 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGE(S) 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT 100; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOTS 100 AND 99 TO THE NORTHWESTERLY CORNER OF SAID LOT 99; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 99 TO THE EASTERLY LINE OF THE WESTERLY 20.00 FEET OF SAID LOTS 99 AND 100; THENCE SOUTHERLY ALONG SAID EASTERLY LINE TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 20.00 FEET, SAID CURVE ALSO BEING TANGENT TO THE SOUTHERLY LINE OF SAID LOT 100; THENCE SOUTHERLY AND SOUTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 31.42 FEET TO SAID SOUTHERLY LINE; THENCE WESTERLY ALONG SAID SOUTHERLY LINE TO THE POINT OF BEGINNING. AS GRANTED TO THE CITY OF EL MONTE, A MUNICIPAL CORPORATION, IN DEED RECORDED APRIL 25, 1979 AS INSTRUMENT NO. 79-442429.

APN: 8577-014-033

CONTAINS: 12,057 SQUARE FEET.

NOTE:  
THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

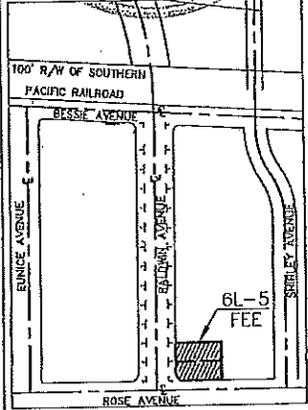
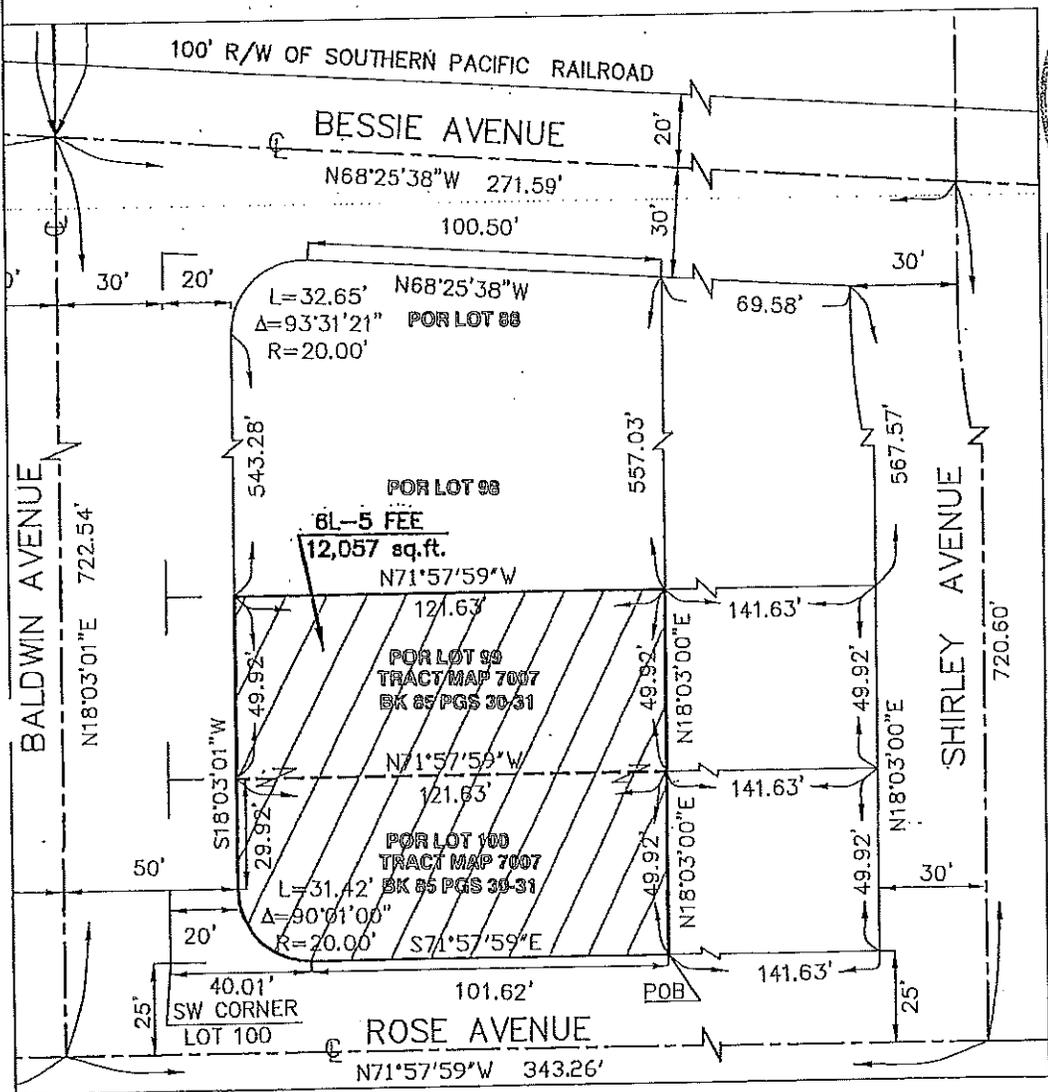
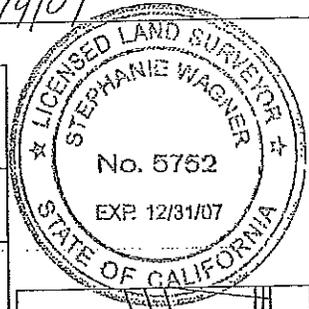
*May 30, 2007*  
DATE



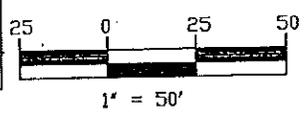
# EXHIBIT "B"

OWNER:	CITY OF EL MONTE
RAMON & IRMA GONZALEZ	TRACT MAP No 7007
A.P.N. 8577-014-033	BOOK 85 PAGES 30-31
	COUNTY OF LOS ANGELES

ACE  
 APPROVED: *Stephanie Wagner*  
 CHIEF EXECUTIVE OFFICER  
 DATE: 7/19/07



VICINITY MAP  
N.T.S.



**BASIS OF BEARINGS:**

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	12,057	12,057	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY

WAGNER ENGINEERING & SURVEY, INC.  
*Stephanie A. Wagner*  
 CHECKED BY: L.S.: 5752

ACE APPROVED BY:  
*Lou Cluster*  
 PROJECT MANAGER DATE: 7/18/07

GRADE SEPARATION  
#13 BALDWIN AVE.

COUNTY OF LOS ANGELES

DATE: 05/30/07  
 SCALE: 1" = 50'  
 REV. No.      DATE:  
 REV. No.      DATE:  
 ACE PARCEL No 6L-5 FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6M**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 94 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGE(S) 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, NAPHTHA AND OTHER KINDRED SUBSTANCES AS RESERVED BY TITLE GUARANTEE AND TRUST COMPANY, BY DEED REGISTERED ON AUGUST 26, 1926 AS INSTRUMENT NO. 104323.

EXCEPT THEREFROM THE WESTERLY 20.00 FEET AS CONDEMNED IN CASE NO. C282459 AND AS SET FORTH IN A DOCUMENT ENTITLED JUDGMENT AND FINAL ORDER OF CONDEMNATION WHICH DOCUMENT RECORDED MARCH 3, 1982 AS INSTRUMENT NO. 82-233525.

APN: 8577-014-036

CONTAINS: 6,071 SQUARE FEET.

NOTE:  
THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

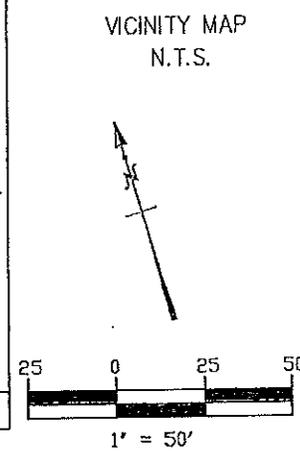
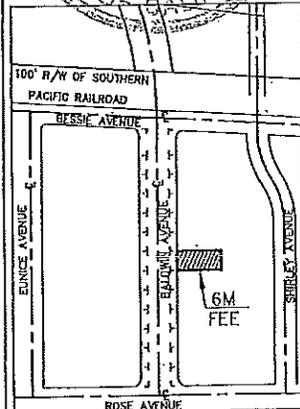
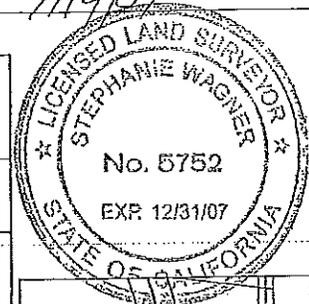
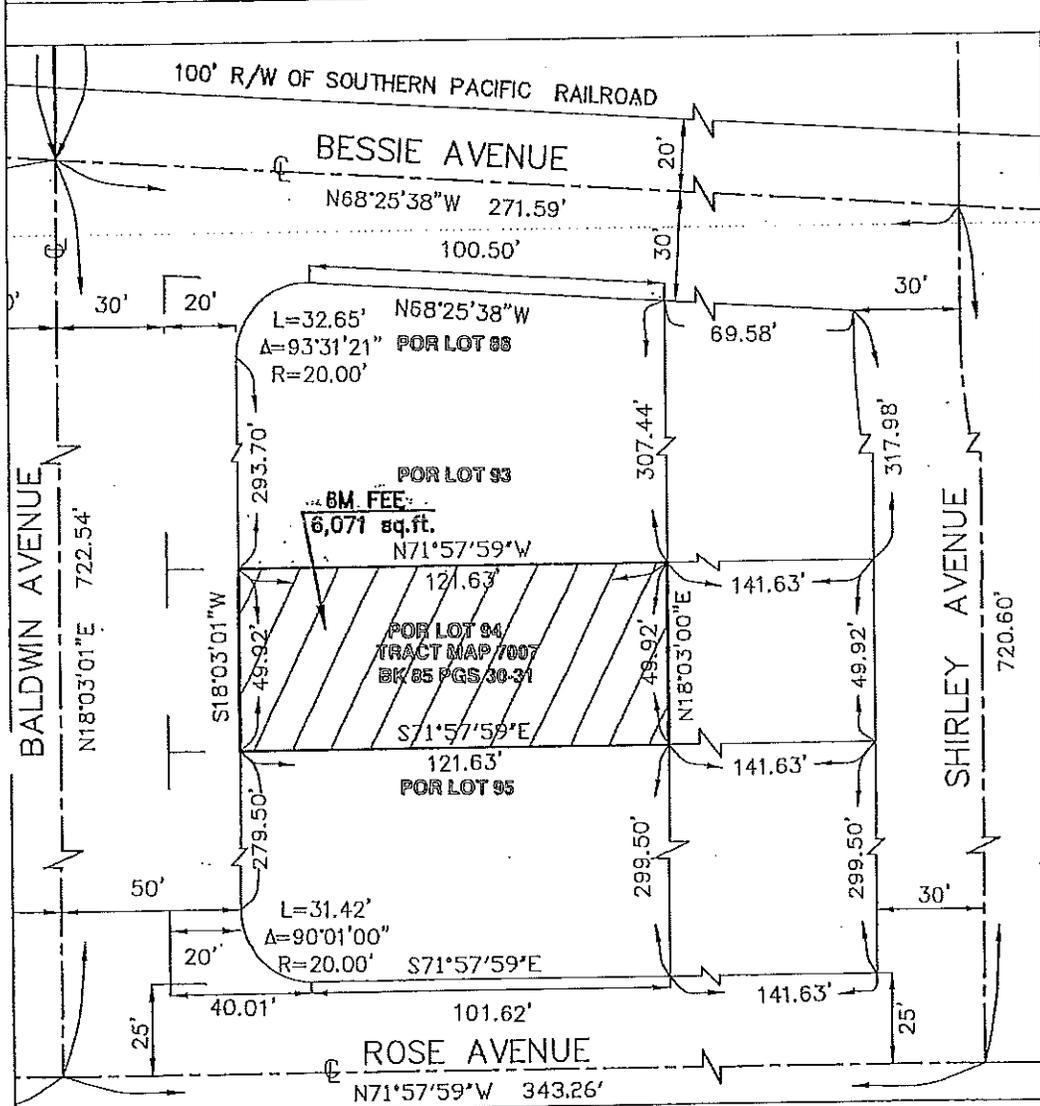
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE: ✓



# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
KIN TOA KONG &	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
KING KWANG KONG	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-014-036	COUNTY OF LOS ANGELES	DATE: 7/19/07



**BASIS OF BEARINGS:**

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,071	6,071	-

<b>ALAMEDA CORRIDOR – EAST CONSTRUCTION AUTHORITY</b>	<b>GRADE SEPARATION #13 BALDWIN AVE.</b>	DATE: 05/30/07 SCALE: 1" = 50' REV. No.      DATE: REV. No.      DATE: ACE PARCEL No 6M FEE
WAGNER ENGINEERING & SURVEY, INC. <i>Stephanie A. Wagner</i> CHECKED BY: L.S.: 5752	ACE APPROVED BY: <i>Jou Cluster</i> 7/19/07 PROJECT MANAGER DATE	COUNTY OF LOS ANGELES

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6N**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 93 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGE(S) 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8577-014-032

CONTAINS: 7,070 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

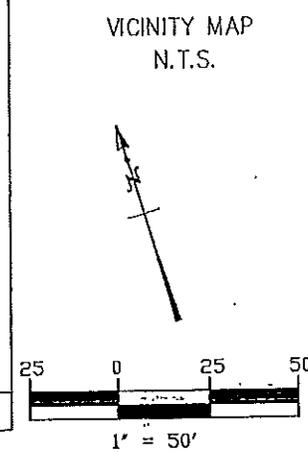
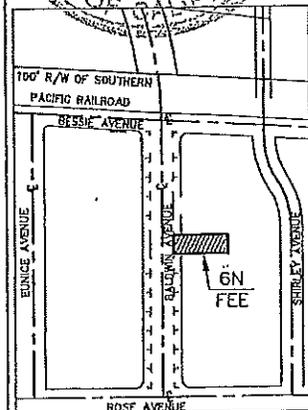
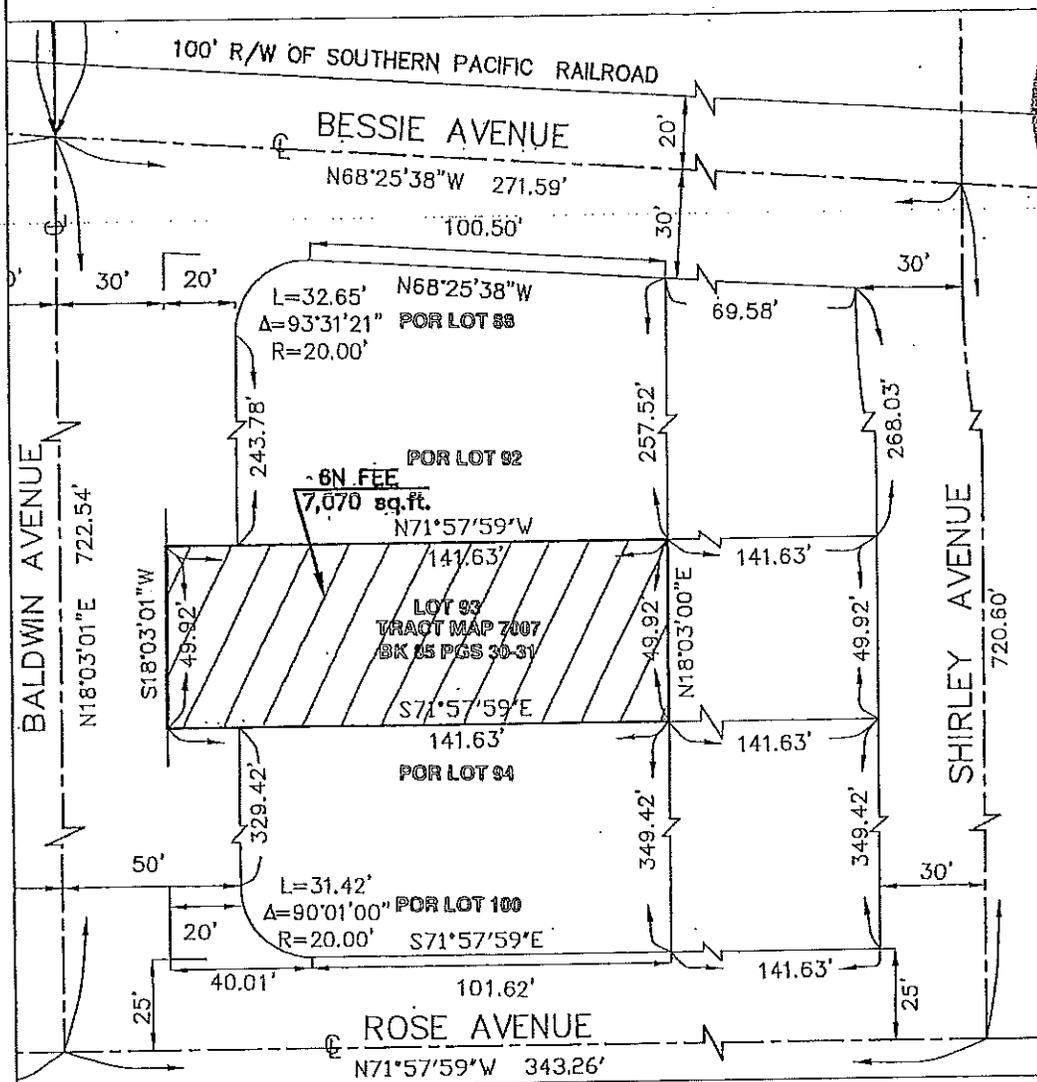
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30 2007*  
DATE: *1*



# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
ALFREDO & SUSANA	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
OROZCO	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-014-032	COUNTY OF LOS ANGELES	DATE: 7/19/07



**BASIS OF BEARINGS:**

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	7,070	7,070	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY		GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07
WAGNER ENGINEERING & SURVEY, INC.			SCALE: 1" = 50'
CHECKED BY: <i>[Signature]</i>	L.S.: 5752	APPROVED BY: <i>[Signature]</i>	REV. No.      DATE:
		PROJECT MANAGER	REV. No.      DATE:
		DATE: 7/18/07	ACE PARCEL No 6N FEE
COUNTY OF LOS ANGELES			

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6-0**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 92 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 20.00 FEET CONVEYED TO THE CITY OF EL MONTE BY DEED RECORDED NOVEMBER 17, 1978 AS INSTRUMENT NO. 78-1283323, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OIL, GAS, NAPHTHA, AND OTHER KINDRED SUBSTANCES AS RESERVED BY TITLE GUARANTEE AND TRUST COMPANY, BY DEED REGISTERED ON JUNE 26, 1926 AS DOCUMENT NO. 98697, AND RECORDED JUNE 28, 1926 IN BOOK 4666 PAGE 115, OFFICIAL RECORDS.

APN: 8577-014-027

CONTAINS: 6,071 SQUARE FEET.

NOTE:  
THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

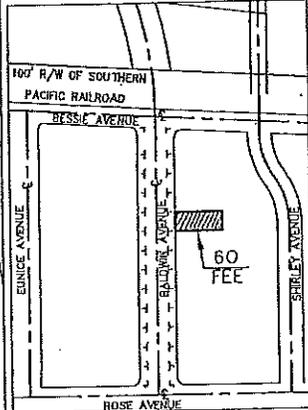
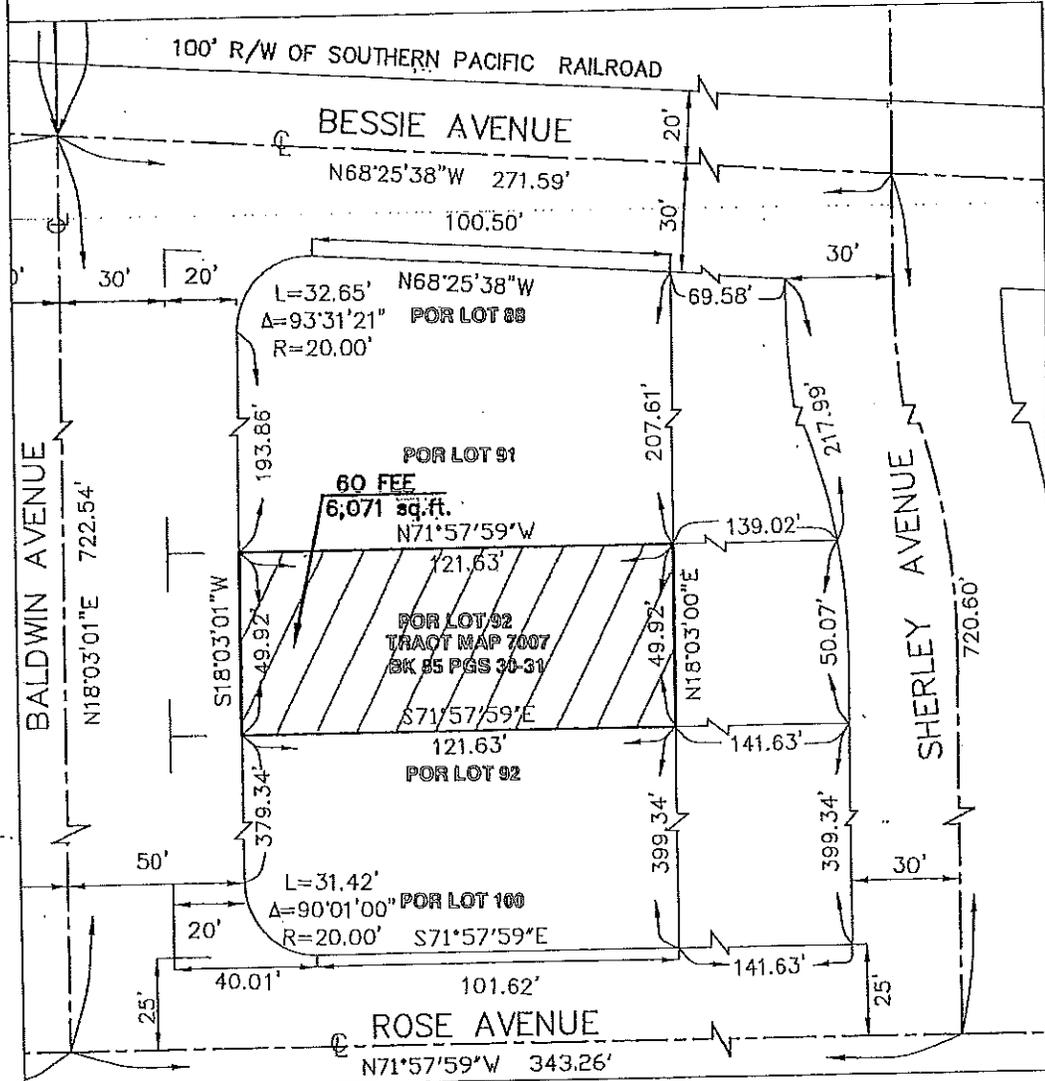
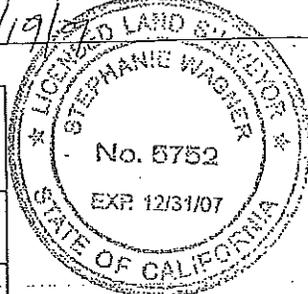
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE:

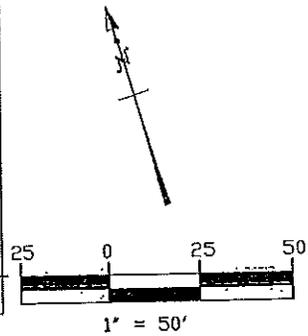


# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
MARIA A. MONTES &	TRACT MAP No 7007	APPROVED: <i>Stephanie Wagner</i>
ARMANDO LOPEZ	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-014-027	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.



**BASIS OF BEARINGS:**

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,071	6,071	-

**ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY**

WAGNER ENGINEERING & SURVEY, INC.

ACE APPROVED BY: *Paul Weston* 7/13/07

CHECKED BY: *Stephanie A. Wagner* L.S.: 5752 PROJECT MANAGER DATE

GRADE SEPARATION  
#13 BALDWIN AVE.

COUNTY OF LOS ANGELES

DATE:	05/30/07
SCALE:	1" = 50'
REV. No.	DATE:
REV. No.	DATE:
ACE PARCEL No	60 FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6P**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 91 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, NAPHTHA, GAS OR OTHER KINDRED SUBSTANCES IN SAID LAND.

APN: 8577-014-025

CONTAINS: 7070 SQUARE FEET.

NOTE:  
THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

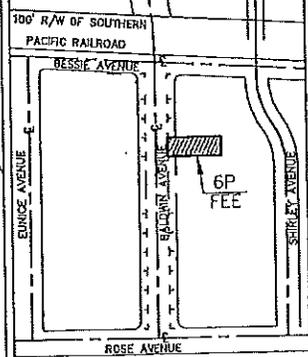
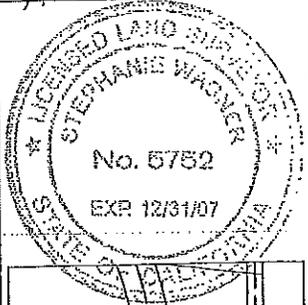
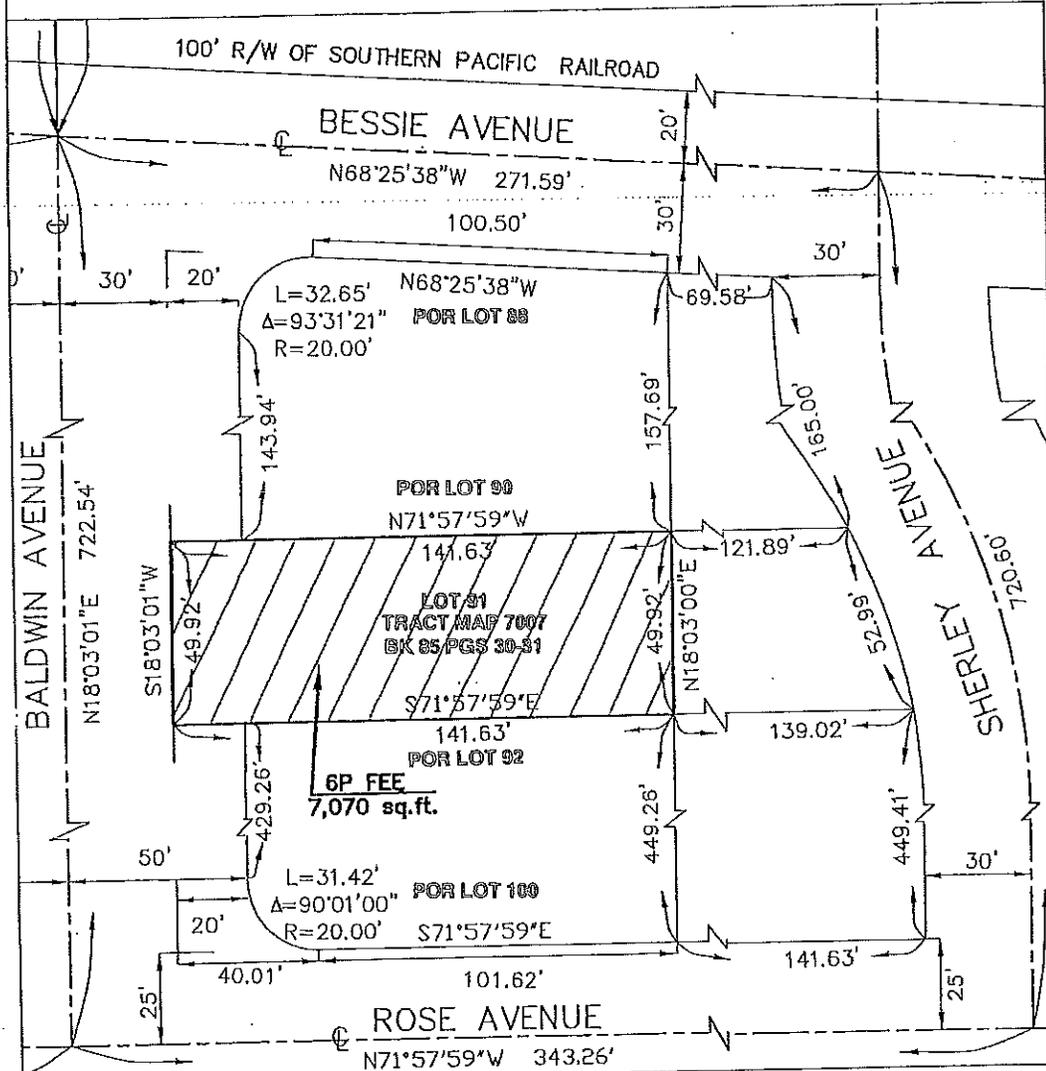
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE:

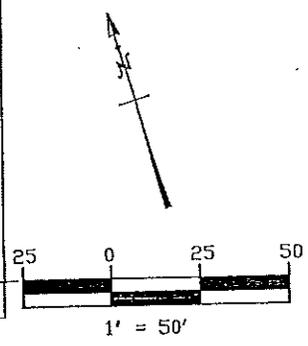


# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
YANG-HAN LIU &	TRACT MAP No 7007	APPROVED: <i>[Signature]</i>
JWU-ING TZENG LIU	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-014-025	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.



**BASIS OF BEARINGS:**

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	7,070	7,070	—

**ALAMEDA CORRIDOR — EAST CONSTRUCTION AUTHORITY**

WAGNER ENGINEERING & SURVEY, INC.  
*Stephanie A. Wagner*  
 CHECKED BY: L.S.: 5752

ACE APPROVED BY:  
*[Signature]* 7/19/07  
 PROJECT MANAGER DATE

GRADE SEPARATION  
#13 BALDWIN AVE.

COUNTY OF LOS ANGELES

DATE:	05/30/07
SCALE:	1" = 50'
REV. No.	DATE:
REV. No.	DATE:
ACE PARCEL No	6P FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6Q**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; DESCRIBED AS FOLLOWS:

LOT 90 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WESTERLY 20.00 FEET TO BE KNOWN AS BALDWIN AVENUE.

EXCEPT ALL OIL, NAPHTHA, GAS OR OTHER KINDRED SUBSTANCES UNDERLYING SAID LAND AS RESERVED BY TITLE GUARANTEE AND TRUST COMPANY IN DEED REGISTERED JANUARY 26, 1929 AS DOCUMENT NO. 160214.

APN: 8577-014-026

CONTAINS: 6,071 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

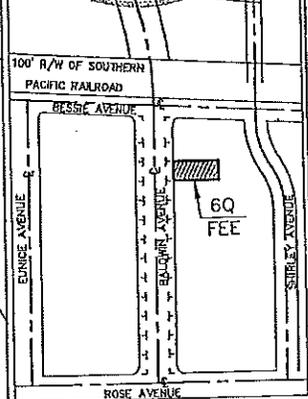
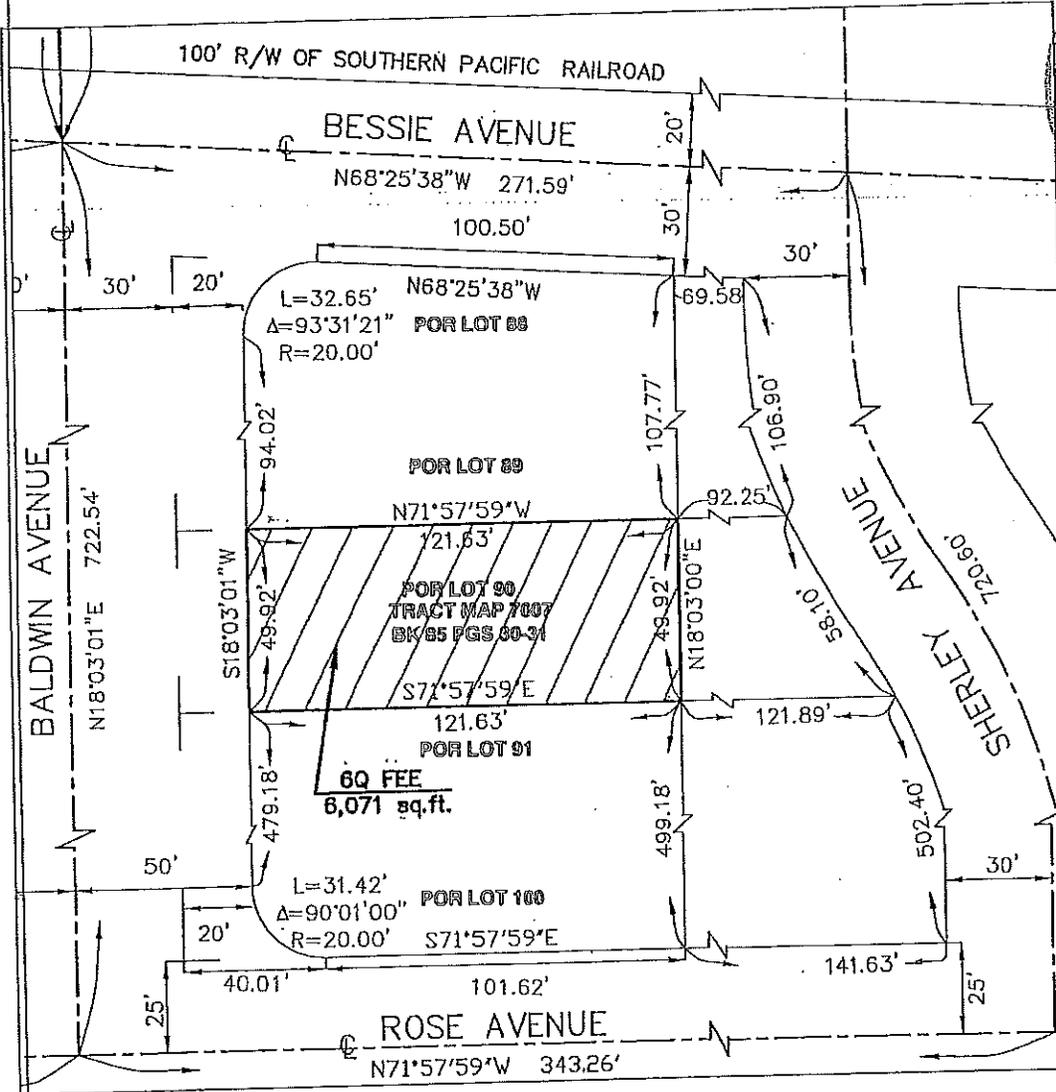
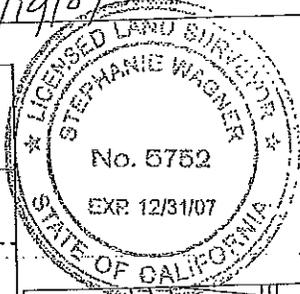
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE:

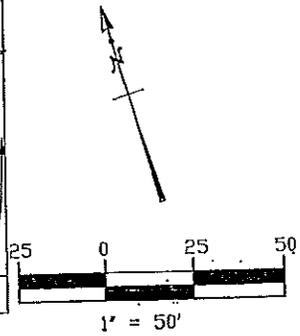


# EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
ARLENE VALDEZ	TRACT MAP No 7007	APPROVED: <i>Stephanie Wagner</i>
	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-014-026	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.



BASIS OF BEARINGS:

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,071	6,071	-

ALAMEDA CORRIDOR - EAST  
CONSTRUCTION AUTHORITY

WAGNER ENGINEERING & SURVEY, INC.  
*Stephanie A. Wagner*  
CHECKED BY: L.S.:5752

ACE APPROVED BY:  
*Stephanie Wagner*  
PROJECT MANAGER DATE: 7/18/07

GRADE SEPARATION  
#13 BALDWIN AVE.

COUNTY OF LOS ANGELES

DATE:	05/30/07
SCALE:	1" = 50'
REV. No.	DATE:
REV. No.	DATE:
ACE PARCEL No.	6Q FEE

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6R**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 89 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WESTERLY 20 FEET THEREOF, AS CONVEYED TO THE CITY OF EL MONTE BY GRANT DEED RECORDED NOVEMBER 27, 1978 AS INSTRUMENT NO. 78-1312997.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES DEPOSITED, LYING UNDER OF FLOWING THROUGH SAID LAND AS RESERVED BY DEED REGISTERED JANUARY 7, 1927, AS DOCUMENT NO. 11802, CERTIFICATE NUMBER DT-42130.

APN: 8577-014-029

CONTAINS: 6,072 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION.

PREPARED BY:

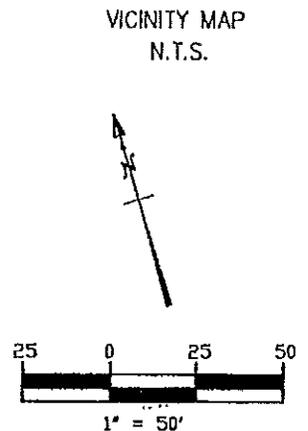
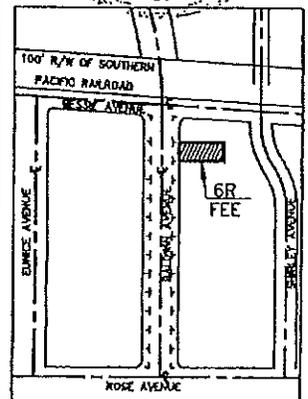
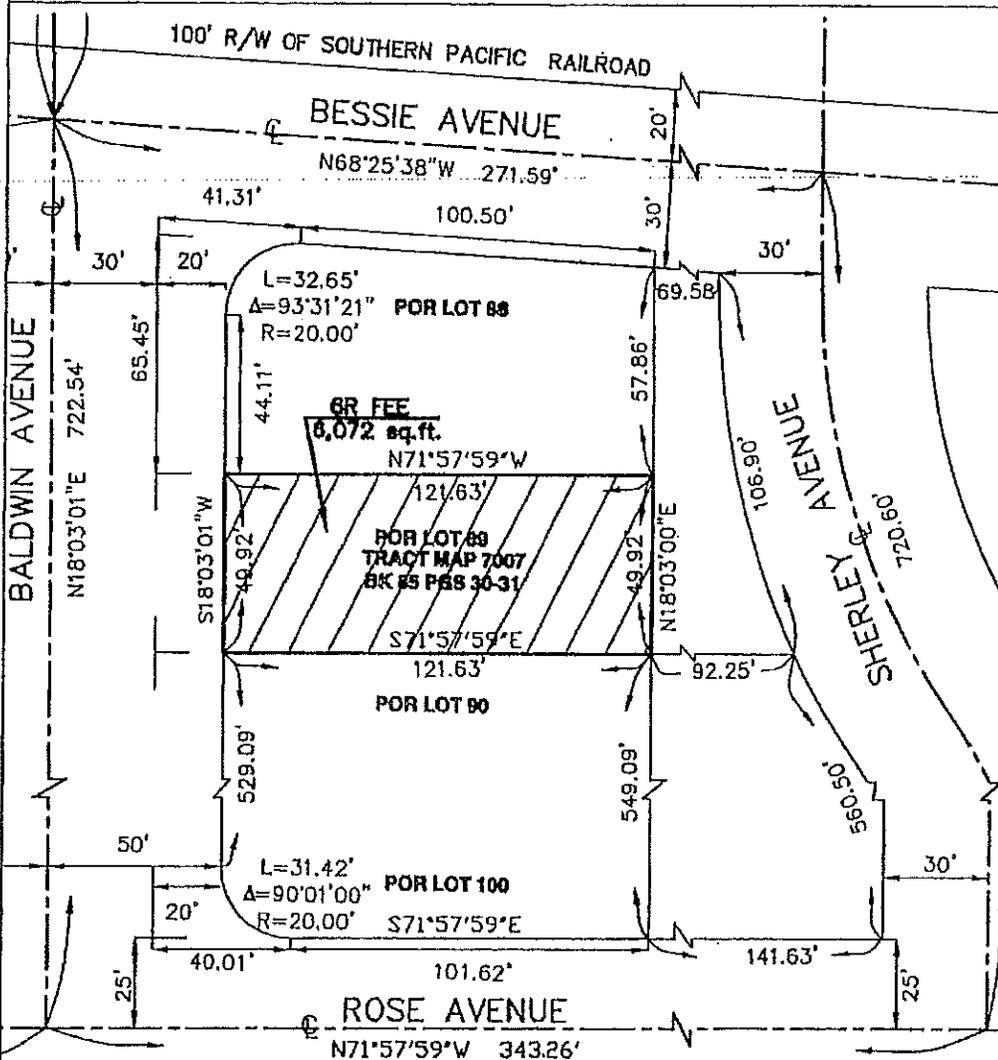
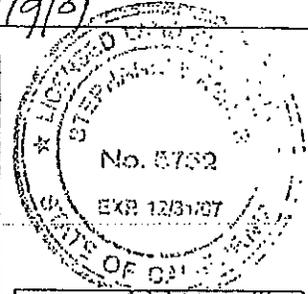
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE: *7*



## EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE	
ANTONIO AMORIM &	TRACT MAP No 7007	APPROVED:	<i>George W. ...</i>
NATERCIA N. AMORIM	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER	
A.P.N. 8577-014-029	COUNTY OF LOS ANGELES	DATE:	7/19/07



**BASIS OF BEARINGS:**

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	6,072	6,072	-

**ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY**

**GRADE SEPARATION  
#13 BALDWIN AVE.**

DATE:	05/30/07
SCALE:	1" = 50'
REV. No.	DATE:
REV. No.	DATE:
ACE DADPCI No. 6R FEE	

WAGNER ENGINEERING & SURVEY, INC.      ACE APPROVED BY: *Lou Cluster*      7/18/07  
 CHECKED BY: *Stephanie A. Wagner*      PROJECT MANAGER      DATE

COUNTY OF LOS ANGELES

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION FOR FEE PURPOSES**  
**ACE PARCEL NO. 6S**

REAL PROPERTY IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

.....  
LOT 88 OF TRACT NO. 7007, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 85 PAGES 30 AND 31 OF MAPS; IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM SAID LAND, AS CONDEMNED FOR IMPROVEMENT OF BALDWIN AVENUE BY FINAL DECREE OF CONDEMNATION ENTERED IN CASE NO. 672915 SUPERIOR COURT, A CERTIFIED COPY THEREOF BEING RECORDED IN BOOK D25 PAGE 294 OFFICIAL RECORDS, THAT PORTION DESCRIBED AS FOLLOWS:

THE WESTERLY 10 FEET OF SAID LAND AND THAT PORTION OF SAID LAND WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF THE WESTERLY 10 FEET OF SAID LOT WITH THE NORTHERLY LINE; THENCE EASTERLY ALONG SAID NORTHERLY LINE 17 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE 23.29 FEET TO A POINT IN SAID EASTERLY LINE, DISTANT SOUTHERLY THEREON 17.00 FEET FROM THE POINT OF BEGINNING; THENCE NORTHERLY ALONG SAID EASTERLY LINE 17.00 FEET TO SAID POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND LYING WITHIN THE LINES OF THE LAND DESCRIBED IN DEED TO THE CITY OF EL MONTE, RECORDED JANUARY 15, 1979 AS INSTRUMENT NO. 79-55821 OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, NAPHTHA, GAS OR OTHER KINDRED SUBSTANCES DEPOSITED, LYING UNDER OR FLOWING THROUGH SAID LAND, AS RESERVED IN DEED FROM TITLE GUARANTEE AND TRUST COMPANY, REGISTERED JANUARY 27, 1940 AS DOCUMENT NO. 1206-K OF TORRENS.

APN: 8577-014-028

CONTAINS: 7,395 SQUARE FEET.

NOTE:

THIS LEGAL DESCRIPTION WAS NOT PREPARED FOR ANY PURPOSE THAT WOULD BE IN VIOLATION OF THE STATE OF CALIFORNIA SUBDIVISION MAP ACT OR LOCAL ORDINANCES OF THE GOVERNING BODY HAVING JURISDICTION

PREPARED BY:

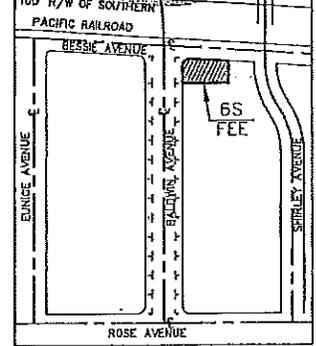
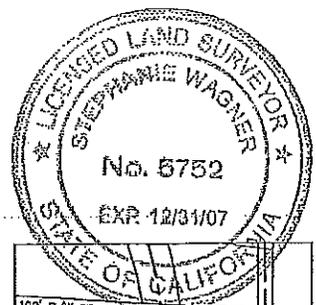
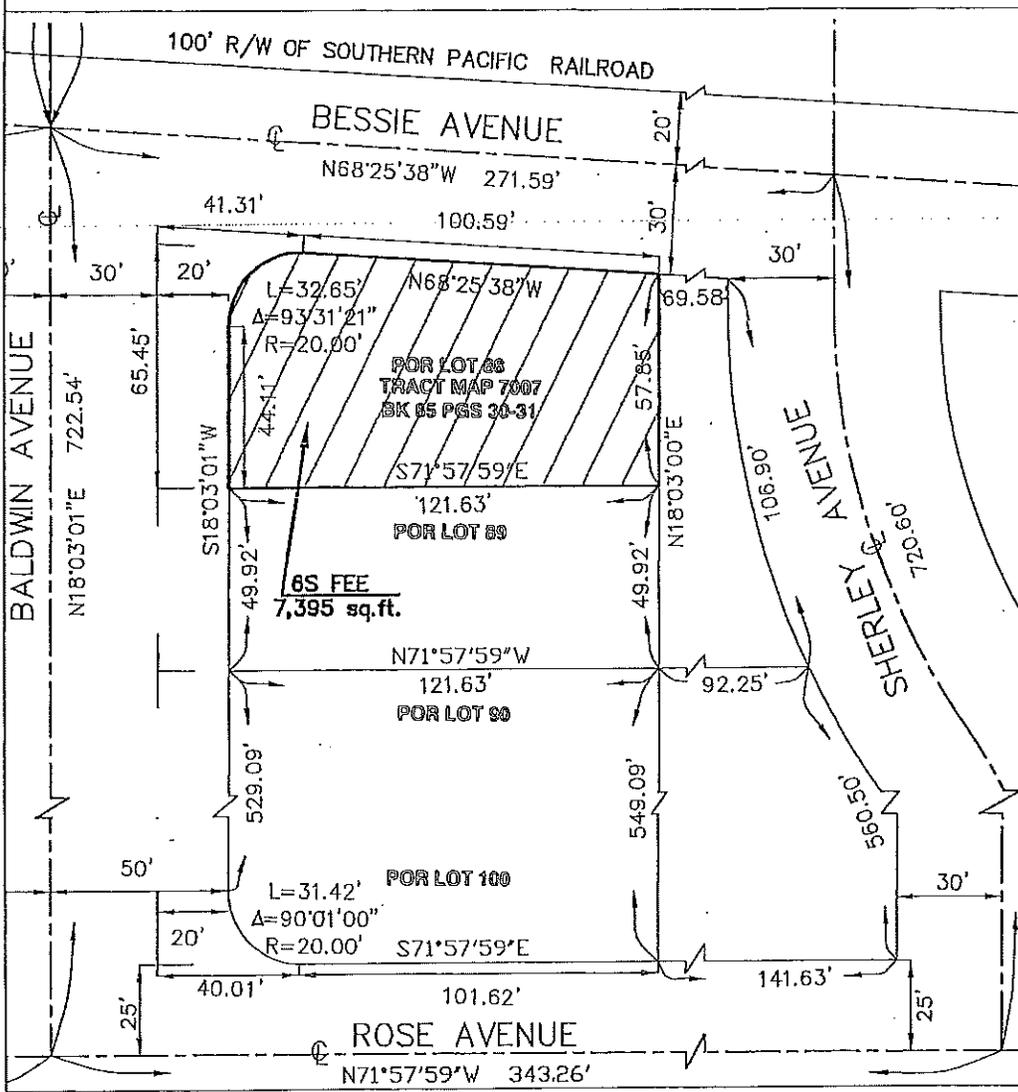
*Stephanie A. Wagner*  
STEPHANIE A. WAGNER, P.L.S. 5752

*May 30, 2007*  
DATE

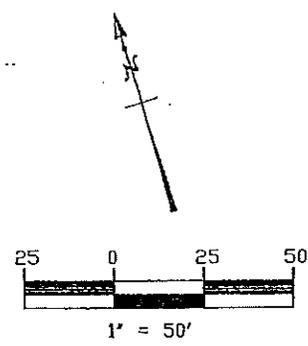


EXHIBIT "B"

OWNER:	CITY OF EL MONTE	ACE
JAST FAMILY LIMITED	TRACT MAP No 7007	APPROVED: <i>George V. R. 2-1</i>
PARTNERSHIP	BOOK 85 PAGES 30-31	CHIEF EXECUTIVE OFFICER
A.P.N. 8577-014-028	COUNTY OF LOS ANGELES	DATE: 7/19/07



VICINITY MAP  
N.T.S.



BASIS OF BEARINGS:

THE BEARING N 18°03'01" E AS FIELD SURVEYED AS THE CENTER LINE OF BALDWIN AVENUE ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM ZONE 5, NAD' 83 (NORTH AMERICAN DATUM 1983) WAS USED AS THE BASIS OF BEARINGS FOR THIS PROJECT.

THIS EXHIBIT IS MADE PART OF THE LEGAL DESCRIPTION.

AREA	TOTAL	REQUIRED FEE	REMAINDER
SQUARE FEET	7,395	7,395	-

ALAMEDA CORRIDOR - EAST CONSTRUCTION AUTHORITY		GRADE SEPARATION #13 BALDWIN AVE.	DATE: 05/30/07
WAGNER ENGINEERING & SURVEY, INC.	ACE APPROVED BY: <i>Lu Chustro</i> 7/19/07		SCALE: 1" = 50'
CHECKED BY: L.S.:5752	PROJECT MANAGER	COUNTY OF LOS ANGELES	REV. No. DATE:
			REV. No. DATE:
			ACE PARCEL No 6S FEE

Baldwin Avenue Surplus  
East/West/Northeast

EXHIBITS "A-1 WEST SLOPE" and "A-2 EAST SLOPE"  
Legal Descriptions of Slope Easements

EXHIBIT “C-1 WEST SLOPE” and “C-2 EAST SLOPE”  
Depictions of Slope Easements

EXHIBIT "D"

[INTENTIONALLY DELETED]

EXHIBIT "E-1"

[Form of Grant Deed—Do not use]

**RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:**  
EL MONTE HOUSING AUTHORITY  
City Hall  
11333 Valley Boulevard  
El Monte, California 91731  
Attn: City Attorney

Exempt Recording Per Government  
Code Sections 6103 and 27383

---

Space Above This Line For Recorder's Use

**GRANT DEED**

ACE Parcel No.: TBD  
Federal Project No. : \_\_\_\_\_

APN.: Surplus West: 8577-012-912, 8577-012-913,  
8577-012-910, 8577-012-909,8577-012-904, 8577-  
012-906, 8577-012-908, 8577-012-903, 8577-012-  
902, 8577-012-907, 8577-012-905,8577-012-901,  
8577-012-900, 8577- 012-911;

**THE UNDERSIGNED GRANTOR DECLARES THAT THE EL MONTE HOUSING  
AUTHORITY IS ACQUIRING TITLE AND IS EXEMPT FROM DOCUMENTARY TRANSFER  
TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, THE ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY on behalf of THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California joint powers authority ("Grantor"), hereby grants to the EL MONTE HOUSING AUTHORITY a public body, corporate and politic all that certain real property located in the City of El Monte, County of Los Angeles, State of California, described in Exhibit "A-1" and depicted on Exhibit "B-1" attached hereto and incorporated herein by this reference (the "Property").

TO HAVE AND TO HOLD the Property unto the Grantee, its successors and assigns forever; PROVIDED, HOWEVER, that this grant is made subject to the conditions set forth in Article A below.

ARTICLE A

EDITOR'S NOTE: IS THIS PROVISION, "ARTICLE A," APPLICABLE TO A DISPOSITION OF SURPLUS LAND AT FAIR MARKET VALUE??]

Use for Public Purposes. This grant is made on the express condition that the Property be used exclusively either for: (i) public purposes for a period of fifteen (15) years from the recorded date of this deed or (ii) for affordable rental housing development where the Property shall be used or reserved for the use as affordable rental housing by persons and families of low and moderate income as these terms are defined in the Housing Authorities Law; and that if the Property ceases to be used exclusively for such public and/or affordable rental housing development purposes during this fifteen (15) year period, the Grantor may exercise its power of termination. In the event the Grantor exercises its power of termination, all title and interest to the Property shall revert to the Grantor, and the interest held by the Grantee, or its successors and assigns, shall cease and terminate. Such termination shall be without paying any compensation for any improvements or other property located on the Property and without compensation or liability for damages or losses of any kind. The actual public use of the Property must commence within two (2) years from the recorded date of this deed and that public use shall continue through the remainder of the fifteen (15) year period or the Grantor may exercise its power of termination. For purposes of this Grant Deed, the term "public purposes" shall have the same meaning as set forth in Section 16.05.09.02 of the California Department of Transportation Right-of-Way and Asset Management Manual (the "Manual"): "Public purposes" means the preponderant area of the property shall be substantially for government, as opposed to proprietary, functions." The power of termination set forth in this Article A shall be specific to the Grantor and shall be non-assignable. Prior to committing the Property to a new use, Grantee shall provide Grantor with notice of the proposed use, and thereafter, Grantor shall have thirty (30) days from the date of such notice to object to the proposed use on the grounds that it does not satisfy the "public purpose" requirement set forth in this Article A. Grantor's failure to object to the proposed use within the period set forth herein shall constitute Grantor's acknowledgement and agreement that the use is consistent with the "public purpose" requirement of this Article A.

Executed on: \_\_\_\_\_, 201\_\_.

**THE ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY**

By: \_\_\_\_\_  
Mark Christoffels  
ACE CEO and Chief Engineer

(Signature to be notarized)



EXHIBIT "A-1" TO THE GRANT DEED  
Legal Description of Property

EXHIBIT "B-1" TO THE GRANT DEED  
Plat Map of the Property

EXHIBIT "E-2"

[Form of Grant Deed—Do not use]

**RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:**  
EL MONTE HOUSING AUTHORITY  
City Hall  
11333 Valley Boulevard  
El Monte, California 91731  
Attn: City Attorney

Exempt Recording Per Government  
Code Sections 6103 and 27383

Space Above This Line For Recorder's Use

**GRANT DEED**

ACE Parcel No.: TBD  
Federal Project No. : \_\_\_\_\_

APN.: Surplus East: 8577-014-911, 8577-014-910,  
8577-014-909, 8577-014-902, 8577-014-908, 8577-  
014-900, 8577-014-906, 8577-014-901, 8577-014-  
903, 8577-014-907, 8577-014-904, 8577-014-905

**THE UNDERSIGNED GRANTOR DECLARES THAT THE EL MONTE HOUSING  
AUTHORITY IS ACQUIRING TITLE AND IS EXEMPT FROM DOCUMENTARY TRANSFER  
TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, THE ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY on behalf of THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California joint powers authority ("Grantor"), hereby grants to the EL MONTE HOUSING AUTHORITY a public body corporate and politic all that certain real property located in the City of El Monte, County of Los Angeles, State of California, described in Exhibit "A-2" and depicted on Exhibit "B-2" attached hereto and incorporated herein by this reference (the "Property").

TO HAVE AND TO HOLD the Property unto the Grantee, its successors and assigns forever; PROVIDED, HOWEVER, that this grant is made subject to the conditions set forth in Article A below.

ARTICLE A

[EDITOR'S NOTE: IS THIS PROVISION, "ARTICLE A," APPLICABLE TO A DISPOSITION OF SURPLUS LAND AT FAIR MARKET VALUE??]

Use for Public Purposes. This grant is made on the express condition that the Property be used exclusively either for: (i) public purposes for a period of fifteen (15) years from the recorded date of this deed or (ii) for affordable rental housing development where the Property shall be used or reserved for the use as affordable rental housing by persons and families of low and moderate income as these terms are defined in the Housing Authorities Law; and that if the Property ceases to be used exclusively for such public and/or affordable rental housing development purposes during this fifteen (15) year period, the Grantor may exercise its power of termination. In the event the Grantor exercises its power of termination, all title and interest to the Property shall revert to the Grantor, and the interest held by the Grantee, or its successors and assigns, shall cease and terminate. Such termination shall be without paying any compensation for any improvements or other property located on the Property and without compensation or liability for damages or losses of any kind. The actual public use of the Property must commence within two (2) years from the recorded date of this deed and that public use shall continue through the remainder of the fifteen (15) year period or the Grantor may exercise its power of termination. For purposes of this Grant Deed, the term "public purposes" shall have the same meaning as set forth in Section 16.05.09.02 of the California Department of Transportation Right-of-Way and Asset Management Manual (the "Manual"): "Public purposes" means the preponderant area of the property shall be substantially for government, as opposed to proprietary, functions." The power of termination set forth in this Article A shall be specific to the Grantor and shall be non-assignable. Prior to committing the Property to a new use, Grantee shall provide Grantor with notice of the proposed use, and thereafter, Grantor shall have thirty (30) days from the date of such notice to object to the proposed use on the grounds that it does not satisfy the "public purpose" requirement set forth in this Article A. Grantor's failure to object to the proposed use within the period set forth herein shall constitute Grantor's acknowledgement and agreement that the use is consistent with the "public purpose" requirement of this Article A.

Executed on: \_\_\_\_\_, 201\_\_.

**THE ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY**

By: \_\_\_\_\_  
Mark Christoffels  
ACE CEO and Chief Engineer

(Signature to be notarized)



EXHIBIT "A-2" TO THE GRANT DEED  
Legal Description of Property

EXHIBIT "B-2" TO THE GRANT DEED  
Plat Map of the Property

EXHIBIT "E-3"

[RESERVED NO TEXT: EL MONTE HOUSING AUTHORITY  
DOES NOT PURCHASE 8577-006-900]

**EXHIBIT F-1**

Recorded at the request of  
Alameda Corridor-East  
Construction Authority

When Recorded Mail to:  
Alameda Corridor-East  
Construction Authority  
c/o: Paragon Partners Ltd.  
5762 Bolsa Ave., Suite 201  
Huntington Beach, CA 92649

Space above this line for Recorder's Use

The undersigned declares that this document is recorded for the benefit of the Alameda Corridor-East Construction Authority and is therefore exempt from the payment of the recording fee pursuant to Government code Section 6103 and from the payment of the documentary transfer tax pursuant to Revenue and Taxation Code Section 11922.

**DEDICATION OF SLOPE EASEMENT**

ACE Parcel No.: TBD  
Federal Project No. : \_\_\_\_\_

APN.: Surplus West: 8577-012-912, 8577-012-913,  
8577-012-910, 8577-012-909,8577-012-904, 8577-  
012-906, 8577-012-908, 8577-012-903, 8577-012-  
902, 8577-012-907, 8577-012-905,8577-012-901,  
8577-012-900, 8577- 012-911;

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY, on behalf of the SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California joint powers authority, ("GRANTOR"), does hereby make an IRREVOCABLE OFFER OF DEDICATION to the CITY OF EL MONTE, a municipal corporation duly organized in accordance with the laws of the State of California, its successors, and assigns ("GRANTEE"), an easement for slope purposes in, on, over, through, under, across, and along that certain real property in the City of El Monte, County of Los Angeles, State of California, described as follows:

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY

\_\_\_\_\_  
Mark Christoffels

## Chief Executive Officer and Chief Engineer



EXHIBIT "A-1 WEST SLOPE" TO THE SLOPE EASEMENT WEST GRANT DEED  
Legal Description of Property

EXHIBIT "B-1 WEST SLOPE" TO THE SLOPE EASEMENT WEST GRANT DEED  
Plat Map

**EXHIBIT F-2**

Recorded at the request of  
Alameda Corridor-East  
Construction Authority

When Recorded Mail to:  
Alameda Corridor-East  
Construction Authority  
c/o: Paragon Partners Ltd.  
5762 Bolsa Ave., Suite 201  
Huntington Beach, CA 92649

Space above this line for Recorder's Use

The undersigned declares that this document is recorded for the benefit of the Alameda Corridor-East Construction Authority and is therefore exempt from the payment of the recording fee pursuant to Government code Section 6103 and from the payment of the documentary transfer tax pursuant to Revenue and Taxation Code Section 11922.

**DEDICATION OF SLOPE EASEMENT**

ACE Parcel No.: TBD  
Federal Project No. : \_\_\_\_\_

APN.: Surplus East: 8577-014-911, 8577-014-910,  
8577-014-909, 8577-014-902, 8577-014-908, 8577-  
014-900, 8577-014-906, 8577-014-901, 8577-014-  
903, 8577-014-907, 8577-014-904, 8577-014-905

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY, on behalf of the SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California joint powers authority, ("GRANTOR"), does hereby make an IRREVOCABLE OFFER OF DEDICATION to the CITY OF EL MONTE, a municipal corporation duly organized in accordance with the laws of the State of California, its successors, and assigns ("GRANTEE"), an easement for slope purposes in, on, over, through, under, across, and along that certain real property in the City of El Monte, County of Los Angeles, State of California, described as follows:

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

ALAMEDA CORRIDOR-EAST  
CONSTRUCTION AUTHORITY

\_\_\_\_\_  
Mark Christoffels  
Chief Executive Officer and Chief Engineer



EXHIBIT "A-2 EAST SLOPE" TO THE SLOPE EASEMENT EAST GRANT DEED  
Legal Description of Property

EXHIBIT "B-2 EAST SLOPE" TO THE SLOPE EASEMENT WEST GRANT DEED  
Plat Map

## PLACEHOLDER

It is anticipated that numerous Reservations will be required for various easements including, among other things, Utility Easements, Retaining Walls, Roadways, Cul de Sac, Sidewalk and a Pump Station.

**ATTACHMENT 4**  
**MEMORANDUM OF UNDERSTANDING**

**2015 EL MONTE HOUSING AUTHORITY  
MEMORANDUM OF UNDERSTANDING  
AND  
EXCLUSIVE NEGOTIATING AGREEMENT  
(Veterans Family Housing Project)**

THIS 2015 EL MONTE HOUSING AUTHORITY MEMORANDUM OF UNDERSTANDING AND EXCLUSIVE NEGOTIATING AGREEMENT (this "**Agreement**") is dated as of May 1, 2015 ("**Effective Date**"), and is entered into by and between the El Monte Housing Authority, a public body, corporate and politic ("**City**"), and Mercy Housing California, a California nonprofit public benefit corporation ("**Developer**" and collectively with the City, the "**Parties**"), with reference to the following recitals of fact:

**RECITALS**

A. WHEREAS, Developer is in the business of developing and managing safe, decent and affordable rental and ownership housing in California; and

B. WHEREAS, City desires to eliminate blight and increase the availability of affordable rental family housing within the City for income qualified families and veterans of the United State military and their families ("**Veterans Family Housing Project**"); and

C. WHEREAS, City desires to engage discussions with the Developer and the Alameda Corridor-East Construction Authority ("**ACE**") to pursue site control, acquisition, and development of the Veterans Family Housing Project on certain remainder real properties currently under ACE's control as a result of completion of a grade separation project at the intersection of Baldwin Avenue and Rose Avenue (the "**Site**") as shown in Exhibit "A";

C. WHEREAS, City will separately initiate discussion with ACE to express interest and intent regarding City's desire to have exclusive site control of the Site and to enter into an agreement to transfer ownership of the Site to Developer for the development of the Veterans Family Housing Project;

D. WHEREAS, City and Developer desire to negotiate with each other regarding the potential terms and conditions of a future Development Agreement (the "**DA**") between City and Developer for Developer to acquire the Site from the City and thereafter to promptly develop the Project on the Site, in accordance with the terms and conditions of said agreements.

NOW, THEREFORE, in view of the goals and objectives of City relating to providing affordable housing in the City and in consideration of the mutual promises of City and Developer set forth in this Agreement, City and Developer agree as follows:

1. Negotiation of DDA. During the Negotiation Period (defined in Section 3) and subject to the terms and conditions of this Agreement, both City and Developer shall proceed diligently and in good faith regarding negotiation and documentation of the potential terms, conditions, covenants, restrictions and agreements of a DA between them for the acquisition development and operation of the Veterans Family Housing Project. City and Developer shall generally cooperate with each other and supply such documents and information as may be reasonably requested by the other to facilitate the conduct of the negotiations. Both City and Developer shall exercise reasonable efforts to complete discussions relating to the terms, conditions, covenants, restrictions or agreements of the DA, all as may be mutually acceptable

to both City and Developer in their respective sole and absolute discretion. The exact terms and conditions of the DA, if any, shall be determined during the course of these negotiations. During the Negotiation Period, Developer shall also undertake and complete all of the actions described in the "Schedule of Performance" attached to this Agreement as Exhibit "B," within the time period specified for each such action in the Schedule of Performance. Nothing in this Agreement shall be interpreted or construed to be a representation or agreement by either City or Developer that a mutually acceptable DA will be produced from negotiations under this Agreement. Nothing in this Agreement shall impose any obligation on either Party to agree to a definitive DA in the future. Nothing in this Agreement shall be interpreted or construed to be a guaranty, warranty or representation that any proposed DA that may be negotiated by City staff and Developer will be approved by the City Council of the City. Developer acknowledges and agrees that City's consideration of any DA is subject to the sole and absolute discretion of the City Council of the City and the governing board of the Housing Authority of the City and any and all legally required public hearings, public meetings, notices, factual findings and other determinations and procedures required by law. City agrees not to solicit any other proposals or negotiate with any other person regarding development of the Site during the Negotiation Period.

2. Developer Acknowledgments. Developer acknowledges and agrees that: (a) under this Agreement, City is not committing itself or agreeing to enter into a DA or undertake any exchange, sale, lease or other transfer of real property, any disposition of any real property interests to Developer, approve any land use entitlements or undertake any other acts or activities; (b) no provision of this Agreement shall be deemed to be an offer by City, nor an acceptance by City of any offer or proposal from Developer, for City to convey any estate or interest in the Site to Developer or for City to provide any financial or other assistance to Developer for development of the Veterans Family Housing Project or the Site except as may hereafter be set forth in the DA, subject to separate approval of the Parties; (c) Developer has not acquired, nor will acquire, by virtue of the terms of this Agreement, any legal or equitable interest in real or personal property from City; (d) further efforts by either Party to perform due diligence, arrange or obtain financing, or carry out other acts in contemplation of the possible acquisition, transfer or development of the Site or the Veterans Family Housing Project shall not be deemed evidence of intent by either Party to be bound by any terms, conditions, covenants, restrictions or agreements relating to acquisition, transfer or development of the Site or the Veterans Family Housing Project.

3. Negotiation Period.

3.1 Duration. The "Negotiation Period" shall begin on the Effective Date and shall expire one hundred eighty (180) days from Effective Date unless extended pursuant to Section 4 or earlier terminated pursuant to Section 3.2.

3.2 Termination. This Agreement shall terminate upon the earliest to occur of the following events: (a) the expiration of the Negotiation Period; or (b) the occurrence of an Event of Default under Section 13.1 of this Agreement, subject to all applicable notice and cure periods, unless such breach is expressly waived by the City; or (c) entry into a DA by both City and Developer.

4. Extension of Negotiation Period. The Negotiation Period may be extended by the mutual written agreement of the Parties for up to a maximum aggregate time period of one hundred eighty (180) days. City's City Manager may authorize and enter into agreements for one or more extensions of the Negotiation Period (subject to the limitation in the immediate preceding sentence) and the limitation in Section 3.2, upon receipt of a written extension

request and a written report from Developer stating in specific terms the efforts of Developer to date regarding the Project and the DA and the anticipated steps to be undertaken in the extension period regarding the Project and the DA. Prior to granting any such extension, City Manager shall consider the efforts made by Developer under and pursuant to the terms and conditions of this Agreement and to negotiate in good faith regarding a future DA with City for the Project. Any agreement to any requested extension pursuant to this Section 4 shall be in sole and absolute discretion of the City Manager.

5. DA Provisions.

5.1 Essential Terms and Conditions. The DA shall include provisions addressing all of the following described subjects:

5.1.1 Site Control. The Site shall be purchased or leased from City by Developer, or Developer's permitted assignee.

5.1.2 Schedule of Performance. A schedule of performance shall be attached to the DA setting forth deadlines for various actions of Developer and City, respectively.

5.1.3 Scope of Development. The Veterans Family Housing Project shall include, approximately 53 units of affordable rental housing, pursuant to recorded affordability conditions, covenants and restrictions reasonably acceptable to and for the benefit of City.

5.1.4 Financing Plan. Developer shall submit to City a plan for financing the construction and operation of the Project for City review and approval. Such financing plan shall, at a minimum, include an obligation of Developer to apply for federal tax credits, and such other financing as is necessary in Developer's reasonable discretion to finance the development and operation of the Veterans Family Housing Project.

5.1.5 Developer Compliance with Laws. Developer shall comply with the requirements of all applicable City ordinances, resolutions, regulations or other laws or approvals in all aspects (planning, design, construction, management and occupancy) of developing and operating the Veterans Family Housing Project on the Site.

5.1.6 Number of Affordable Units. Developer agrees to make available, restrict occupancy to, and rent to low income families and individuals twenty-six (26) (each an "Affordable Unit") of the Housing Units at the Veterans Family Housing Project at an Affordable Rent. Up to ten (10) of the Housing Units shall be designated as HOME Fund Housing Units provided that HOME Funds are made available to the Developer for the amount of the Veterans Family Housing Project by the City. One of the Housing Units shall be occupied by the property management staff, with no restrictions on rent or income.

5.1.7 Duration of Affordability Requirements. The Housing Units shall be subject to the requirements for fifty-five (55) years from the date of the issuance of a certificate of occupancy for the Veterans Family Housing Project by the City of El Monte Building Department. The duration of this requirement shall be known as the "Affordability Period."

5.1.8 Selection of Tenants; Restriction to Veterans. Developer shall be responsible for the selection of tenants for the Housing Units in compliance with lawful and

reasonable criteria. To the extent permitted under applicable law, Developer shall restrict occupancy of the Housing Units to households which include one or more Veterans. In the event that a Housing Unit has been vacant for more than thirty (30) days, and prior to that time Developer has not received a rental application from a Veteran household which is a very low income household or lower income household and meets Developer's tenant selection standards, then Developer may rent the vacant unit (and other units which subsequently become available) to a very low income household or lower income household which does not include a Veteran. Developer's marketing program for the leasing of the Affordable Units shall be aimed at Veterans, and shall include the placement of marketing materials in print and electronic publications oriented to Veteran readers and viewers.

5.1.9 Household Income Requirements. Following the initial lease-up of the Housing Units, and annually thereafter, the Developer shall submit to the City, at Developer's expense, a summary of the income, household size and rent payable by each of the tenants of the Housing Units. At the City's request, the Developer shall also provide to the City completed income computation and certification forms, in a form reasonably acceptable to the City, for any such tenant or tenants. Developer shall obtain a certification from each household leasing an Affordable Unit demonstrating that such household is a very low income household or lower income household, as applicable, and meets the eligibility requirements established for the Housing Unit. Developer shall verify the income certification of the household.

5.1.10 Affordable Rent. The maximum Monthly Rent chargeable for the Affordable Units shall be annually determined in accordance with the following requirements. The Monthly Rent for the Affordable Units to be rented to very low income households shall not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Los Angeles County Median Income for a family of a size appropriate to the unit. The Monthly Rent for the Affordable Units to be rented to lower income households shall not exceed one-Twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of Los Angeles County Median Income for a family of a size appropriate to the unit.

Notwithstanding any other provisions of this Agreement, if Developer enters into a regulatory agreement as a requirement of receiving Low Income Housing Tax Credits, compliance with the rent requirements of such regulatory agreement shall constitute compliance with the rent requirements of this Section 5.1.10

For purposes of this Agreement, "Monthly Rent" means the total of monthly payments for (a) use and occupancy of each Affordable Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) 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 Developer. In the event that all utility charges are paid by the landlord rather than the tenant, no utility allowance shall be deducted from the rent.

5.1.11 Maintenance. The Developer shall maintain or cause to be maintained the interior and exterior of the Housing Units and the Housing Project in a decent, safe and sanitary manner, and in accordance with the standard of maintenance of first class apartment units within Los Angeles County, California. None of the Housing Units in the Veterans Family Housing Project shall at any time be utilized on a transient basis, nor shall the

Veterans Family Housing Project or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home.

5.1.12 Social Services. At all times during the Affordability Period, Developer shall provide activities and programs appropriate to the needs of the residents of the Veterans Family Housing Project, with the selection of such activities and programs to be determined by Developer in consultation with the residents of the Veterans Family Housing Project.

5.1.13 Non-Discrimination Covenants. Developer shall covenant in the DA by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the site on the basis of race, color, religion, sex, marital status, disability, source of income, sexual orientation, familial status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

**In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, Subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of

discrimination or segregation with reference to the selection, location, number, use, or occupancy, or tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

**In contracts:** “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The covenants outlined in this Section 5.1.13 shall be included in the DA and shall, without regard to technical classification and designation, be binding for the benefit and in favor of the City and its successors and assigns, and shall remain in effect in perpetuity.

5.1.14 Monitoring and Recordkeeping. Throughout the Affordability Period, Developer shall annually complete and submit to the City a certification of continuing program compliance in the form provided by the City. Representatives of the City shall be entitled to enter the Veterans Family Housing Project, upon at least forty-eight (48) hours notice, to monitor compliance with the DA, to inspect the records of the Veterans Family Housing Project, and to conduct an independent audit or inspection of such records. The Developer shall agree in the DA to cooperate with the City in making the Veterans Family Housing Project available for such inspection or audit. Developer agrees to maintain records in businesslike manner, and to maintain such records for the term of the DA.

5.1.15 HOME Regulatory Agreement. The requirements of this outlined in this Section 5, shall be applicable under the DA after the conveyance of the Site to the Developer shall also be set forth in a “HOME Regulatory Agreement” provided that such HOME Program funds have been made available to the Developer by the City. The execution of a HOME Regulatory Agreement shall be a condition precedent to the transfer of the Site to the Developer under the DA. Pursuant to the requirements of the HOME Program rules and 24 CFR Part 92, Developer and the City further agree that in addition to the provisions set forth in Section 5.1.1 through 5.1.14, inclusive of this Agreement, the HOME Regulatory Agreement shall contain the following additional provisions:

(i) The HOME Units shall be designated from time-to-time by the Developer within the Veteran Family Housing Project upon initial occupancy as necessary to ensure compliance with the HOME rent and occupancy requirements in the Veterans Family Housing Project.

(ii) The Parties intend that the HOME Units shall remain available solely to eligible renter participants at rent affordable low- and very low-income households as determined by the United States Department and Housing and Urban Development (HUD) for Los Angeles County, annually, for a term of not less fifty-five (55) years. This shall be known as the “HOME Affordability Covenant”, as confirmed in the HOME Regulatory Agreement.

(iii) HOME Regulatory Agreement shall remain in effect for the duration of the HOME Period of Affordability.

(iv) Developer shall review and agree to comply with the affordability requirements of Section 92.252 and 92.253 of 24 CFR Part 92 of the HOME Regulations as apply to the Veterans Family Housing Project.

(v) Developer shall review and agree to conduct audits of the development and operation of the Veterans Family Housing Project in accordance with federal regulations set forth in the Code of Federal Regulations and applicable circulars.

(vi) Developer shall review and agree to comply with the maximum per unit HOME subsidy amount required by HUD and defined in 24 CFR Section 92.250 as to the HOME units.

(vii) Developer shall review and agree to comply with all local codes, zoning ordinances, cost effective energy conservation, and effectiveness standards (24 CFR part 39), and will meet the current edition of the Model Energy Code published by the Council of American Building Officials.

(viii) Developer shall carry out the development of the Veterans Family Housing Project in compliance with all federal laws and regulations.

(ix) The HOME Regulatory Agreement shall contain provisions which are consistent with State TCAC requirements.

6. [RESERVED]

7. Costs and Expenses. All fees or expenses of engineers, architects, financial consultants, legal, planning or other consultants or contractors, retained by Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review, planning or design activities, drawings, specifications or other activity or matter relating to the Site or the Veterans Family Housing Project or negotiation or documentation of a future DA that may be undertaken by Developer during the Negotiation Period, pursuant to or in reliance upon this Agreement or in Developer's discretion, regarding any matter relating to this Agreement, a future DA, the Site or the Veterans Family Housing Project, shall be the sole responsibility of and undertaken at the sole cost and expense of Developer and no such activity or matter shall be deemed to be undertaken for the benefit of, at the expense of or in reliance upon City. Developer shall also pay all fees, charges and costs, make all deposits and provide all bonds or other security associated with the submission to and processing by the City of any and all applications and other documents and information to be submitted to the City by Developer pursuant to this Agreement or otherwise associated with the Veterans Family Housing Project or the Site.

8. No City Approval. Nothing in this Agreement, nor any comments provided by City staff, nor any failure of City staff to provide comments to any submittal under or pursuant to this Agreement shall: (1) modify or replace any land use entitlement process of either the City applicable to the Veterans Family Housing Project, (2) limit the police power land use jurisdiction of either the City relative to the Veterans Family Housing Project, (3) constitute an approval of all or any portion of the Veterans Family Housing Project by the City pursuant to the police power land use jurisdiction of either the City or (4) constitute any approval of all or any portion of a future DA with Developer by the City.

9. City Due Diligence. City reserves the right to reasonably obtain further information, and data to ascertain the ability and capacity of Developer to purchase, lease, develop and operate the Site or the Veterans Family Housing Project. Developer acknowledges

that Developer may be requested to make certain financial disclosures to City, City staff, legal counsel or other consultants, as part of the financial due diligence investigations of City relating to the potential sale of the Site and development of the Project on the Site by Developer and that any such disclosures may become public records. City shall maintain the confidentiality of financial information of Developer to the extent allowed by law, as determined by the City Attorney/Housing Authority legal counsel for the City.

10. Developer Indemnity. Developer shall indemnify, defend and hold harmless City, and the elected and appointed officials, officers, agents and employees of City (individually or collectively, an "**Indemnified Party**") against any and all losses arising out of any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, arising during the Negotiation Period as a result of action by Developer, Developer's contractors or employees which is brought or asserted against any Indemnified Party that relates to or arises out of: (i) property damage or bodily injury or death of any person in connection with this Agreement; (ii) entry upon the Site by Developer, its contractors or employees; (iii) any inspection of the Site by Developer, its contractors or employees; or (iv) the preparation of any report or plans commissioned by Developer; provided, however, that no Indemnified Party shall be entitled to indemnification under this Section 10 for matter caused by any Indemnified Party's gross negligence or willful misconduct or for any matter arising from any pre-existing condition upon the Site. In the event any action or proceeding is brought against an Indemnified Party by reason of a claim arising during the Negotiation Period out of any loss for which Developer is obligated to indemnify, defend or hold harmless on Indemnified Party under this Section 10, then in such event, and upon written notice from such Indemnified Party, Developer shall, at Developer's sole expense, answer and otherwise defend such action or proceeding. The provisions of this Section 10 shall survive the expiration or termination of this Agreement.

11. Developer Insurance.

11.1 Types of Insurance. Without in any way limiting Developer's indemnification obligations under this Agreement, subject to the other provisions of this Section 11 and subject to approval by City of the insurers and policy forms, Developer shall obtain and maintain, at Developer's expense, the following insurance throughout the Negotiation Period:

11.1.1 Automobile Liability Insurance. "**Automobile Liability Insurance**" means and refers to insurance coverage against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used by Developer regarding the Site or the Project, with minimum limits for bodily injury and property damage of One Million Dollars (\$1,000,000). Such insurance shall be provided by a business or commercial vehicle policy and may be provided through a combination of primary and excess or umbrella policies, all of which shall be subject to pre-approval by City, which approval shall not be unreasonably withheld.

11.1.2 Liability Insurance. "**Liability Insurance**" means and refers to commercial general liability insurance against claims for bodily injury, personal injury, death, or property damage occurring upon, in, or about the Site or adjoining streets or passageways, at least as broad as Insurance Services Office Occurrence Form CG0001, with a minimum liability limit of Two Million Dollars (\$2,000,000) for any one occurrence and which may be provided through a combination of primary and excess or umbrella insurance policies. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the Site or the general aggregate limit shall be twice the required minimum liability limit for any one occurrence.

11.2 Nature of Insurance. All Liability Insurance and Automobile Liability Insurance policies this Agreement requires shall be issued by carriers that: (a) are listed in the then current "Best's Key Rating Guide—Property/Casualty—United States & Canada" publication (or its equivalent, if such publication ceases to be published) with a minimum financial strength rating of "A-" and a minimum financial size category of "VII"; and (b) are authorized to do business in the State of California by the State of California Department of Insurance. Developer may provide any insurance under a "blanket" or "umbrella" insurance policy, provided that: (i) such policy or a certificate of such policy shall specify the amount(s) of the total insurance allocated to the Site, which amount(s) shall equal or exceed the amount(s) required by this Agreement; and (ii) such policy otherwise complies with the insurance requirements in this Agreement.

12. Restrictions Against Change in Ownership, Management or Control of Developer; Assignment of Agreement.

12.1 Developer Assignment. City and Developer acknowledge and agree that City is entering into this Agreement with Developer on the basis of the particular experience, financial capacity, skills and capabilities of Developer. This Agreement is personal to Developer and is not assignable without the prior written consent of City, which may be given, withheld or conditioned in City's sole and absolute discretion, provided, however, Developer may assign this Agreement to a limited partnership of which Mercy Housing California (or an affiliate thereof) is the general partner. For the purpose of the preceding sentence, the term "**affiliate**" means any person, directly or indirectly, controlling or controlled by or under common control with Developer, whether by direct or indirect ownership of equity interests, by contract, or otherwise.

13. Developer Events of Default and City Remedies.

13.1 Developer Events of Default. The occurrence of any of the following shall constitute an "**Event of Default**" on the part of Developer under this Agreement:

13.1.1 Schedule of Performance. Failure of Developer to meet a performance milestone by the applicable date contained in the Schedule of Performance, if such failure is not cured within thirty (30) days after written notice of such failure or if the failure cannot be cured within 30 days, such longer period of time as is reasonably necessary so long as the cure was commenced within the initial 30 day period.

13.1.2 Misrepresentation. Any material breach of any representation or warranty made by Developer in this Agreement that is not cured within thirty (30) days after written notice from City to Developer of such breach or if the breach cannot be cured within 30 days, such longer period of time as is reasonably necessary so long as the cure was commenced within the initial 30 day period.

13.1.3 Unauthorized Assignment. Any assignment or attempted assignment by Developer in violation of Section 12 that is not cured within thirty (30) days after written notice from City to Developer of such breach.

13.1.4 Insurance. Failure of Developer to procure or maintain any of the insurance coverage required by this Agreement resulting in a lapse in required insurance coverage which lapse is not cured within ten (10) days after written notice of such breach from City to Developer.

13.2 City Remedies. If there is an Event of a Default by Developer which continues beyond applicable notice and cure periods, City may, in City's sole and absolute discretion, terminate this Agreement by delivering written notice of termination to Developer. Upon any such termination, neither Party shall have any further rights or obligations to the other under this Agreement, except obligations that expressly survive termination of this Agreement.

14. Developer Representations and Warranties. Developer represents, warrants and covenants to and for the benefit of City, as of the Effective Date and at all times during the Negotiation Period, as follows:

14.1 Valid Existence; Good Standing; Joint Venture Relationships. Developer is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California. Developer has all requisite power and authority to own its property and conduct its business as presently conducted. Developer has made all filings and is in good standing in the jurisdiction of the State of California.

14.2 Authority. Developer has all requisite power and authority to enter into and perform this Agreement.

14.3 No Limitation on Ability to Perform. Neither Developer's articles of incorporation nor any other organizational document regarding Developer in any way prohibits, limits or otherwise affects the right or power of Developer to enter into or perform this Agreement. Developer is not a party to or bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument that could prohibit, limit or otherwise affect Developer's entry into or performance of this Agreement. To the best of Developer's knowledge, no consent, authorization or approval of, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person or entity is required for the due execution, delivery or performance by Developer of this Agreement or any of the terms or covenants contained in this Agreement. There is no pending or threatened suit or proceeding or undischarged judgment affecting Developer before any court, governmental agency, or arbitrator that might materially adversely affect the enforceability of this Agreement, the ability of Developer to perform the transactions contemplated by this Agreement or the business, operations, assets or condition of Developer.

14.4 Valid Execution. The execution and delivery of this Agreement by Developer have been duly and validly authorized by all necessary action of Developer and others. This Agreement will be a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms. Developer has provided to City a written resolution of Developer's Board of Directors authorizing Developer's entry into and performance of this Agreement.

15. Notices. A notice or communication under this Agreement by either Party to the other shall be sufficiently given or delivered, if in writing and delivered by messenger, overnight air courier or registered or certified first class mail with return receipt requested (for U.S. mailings) to the appropriate Party at its address as follows:

In the case of a notice or communication to City:

JESUS GOMEZ, CITY MANAGER  
11333 VALLEY BLVD  
EL MONTE, CA 91731

With a copy to:

MINH THAI, ECONOMIC DEVELOPMENT DIRECTOR  
11333 VALLEY BLVD  
EL MONTE, CA 91731

RICHARD PADILLA, DEPUTY CITY ATTORNEY  
11333 VALLEY BLVD  
EL MONTE, CA 91731

And in the case of a notice or communication sent to Developer:

ED HOLDER, VICE PRESIDENT, REAL ESTATE DEVELOPMENT  
MERCY HOUSING CALIFORNIA  
1500 S. GRAND AVE, SUITE 100  
LOS ANGELES, CA 90015

With a copy to:

NATALIE GUBB, GUBB & BARSHAY  
505 14<sup>th</sup> STREET, SUITE 1050  
OAKLAND, CA 94612

Any mailing address may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

16. General Provisions.

16.1 Amendments. This Agreement may be amended or modified only by a written instrument signed by both City and Developer.

16.2 Severability. If any provision of this Agreement, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement. Without limiting the foregoing, in the event that any applicable federal or state law prevents or precludes compliance with any material term of this Agreement, the Parties shall promptly modify, amend or suspend this Agreement, or any portion of this Agreement, to the extent necessary to comply with such provisions in a manner which preserves to the greatest extent possible the benefits to each of the Parties to this Agreement. However, if such amendment, modification or suspension would deprive City or Developer of the substantial benefits derived from this Agreement or make performance unreasonably difficult or expensive, then the affected Party may terminate this Agreement upon written notice to the other Party. In the event of such termination, neither Party shall have any further rights or obligations under this Agreement except as otherwise provided herein.

16.3 Non-Waiver. No waiver made by either Party with respect to the performance, or manner or time of performance, or any obligation of the other Party or any condition to its own obligation under this Agreement will be considered a waiver with respect to the particular obligation of the other Party or condition to its own obligation beyond those expressly waived, to the extent of such waiver, or a waiver in any respect in regard to any other rights of the Party making the waiver or any other obligations of the other Party.

16.4 Non-Liability. No member, official, agent or employee of City will be personally liable to Developer, or any successor in interest (if and to the extent permitted under this Agreement), in an event of default by City or for any amount that may become due to Developer or successor or on any obligations under the terms of this Agreement. No director, officer, agent or employee of Developer will be personally liable to City in an event of default by Developer or for any amount that may become due to City or on any obligations under the terms of this Agreement.

16.5 Successors and Assigns; Third Party Beneficiary. This Agreement shall inure to the benefit of and bind the respective successors and assigns of City and Developer, subject to the limitations on assignment by Developer set forth in Section 12. This Agreement is for the exclusive benefit of the Parties to this Agreement and not for the benefit of any other person and shall not be deemed to have conferred any rights, express or implied, upon any other person.

16.6 Governing Law. City and Developer acknowledge and agree that this Agreement was negotiated, entered into and is to be fully performed in the City. City and Developer agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the substantive and procedural laws of the State of California, without application of conflicts or choice of laws principles.

16.7 Compliance with Law. Developer acknowledges that any future DDA, if approved by City governing body, will require Developer (among other things) to carry out the development of the Project on the Site in conformity with all applicable laws, including all applicable building, planning and zoning laws, environmental laws, safety laws and federal and state labor and wage laws.

17. Interpretation of Agreement. No inference in favor of or against any Party shall be drawn from the fact that such Party has drafted any part of this Agreement. The Parties have both participated substantially in the negotiation, drafting, and revision of this Agreement, with advice from legal and other counsel and advisers of their own selection. A word, term or phrase defined in the singular in this Agreement may be used in the plural, and vice versa, all in accordance with ordinary principles of English grammar, which shall govern all language in this Agreement. The words "include" and "including" in this Agreement shall be construed to be followed by the words: "without limitation." Each collective noun in this Agreement shall be interpreted as if followed by the words "(or any part of it)," except where the context clearly requires otherwise. Every reference to any document, including this Agreement, refers to such document, as modified from time to time (excepting any modification that violates this Agreement), and includes all exhibits, schedules, addenda and riders to such document. The word "or" in this Agreement includes the word "and." Every reference to a law, statute, regulation, order, form or similar governmental requirement refers to each such requirement as amended, modified, renumbered, superseded or succeeded, from time to time. Headings at the beginning of each section or sub-section of this Agreement are solely for the convenience of reference of City and Developer and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall

include the feminine and vice versa. Unless otherwise indicated, all references to sections are to this Agreement. All exhibits referred to in this Agreement are attached to this Agreement, unless otherwise specified.

17.1 Entire Agreement. This Agreement (including the attachments and exhibits) contains all of the representations of and the entire agreement between the Parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the signed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by either Party or any other person and no court or other body shall consider those drafts in interpreting this Agreement.

17.2 Time for Performance.

17.2.1 Expiration. All performance, expiration or termination dates (including cure dates) in this Agreement (including the attached Schedule of Performance) expire at 5:00 p.m., Pacific Time, on the specified date.

17.2.2 Weekends and Holidays. A date that falls on a Saturday, Sunday or City holiday is deemed extended to the next day on which the City is open for performance of general City functions with regular City personnel.

17.2.3 Days for Performance. All periods for performance specified in this Agreement in terms of days shall be calendar days, and not business days, unless otherwise expressly provided in this Agreement.

17.2.4 Time of the Essence. Time is of the essence with respect to each provision of this Agreement.

17.3 Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

17.4 Approvals and Consents. Unless this Agreement otherwise expressly provides or unless applicable law requires otherwise, all approvals, consents or determinations to be made by or on behalf of (excluding amendments to this Agreement): (i) City under this Agreement shall be made by City's City Manager/Executive Director, who may require City governing body approval of any such matter; and (ii) Developer under this Agreement shall be made by Ed Holder or any other authorized Vice President ("**Developer Representative**") or such other employee or agent of Developer as Developer may designate by written notice to City to act as Developer Representative for a particular matter. Unless otherwise provided in this Agreement, whenever approval, consent or satisfaction is required of a Party pursuant to this Agreement, it shall not be unreasonably withheld, conditioned or delayed and any reasons for disapproval shall be stated in reasonable detail in writing. Approval by Developer or City of any act or request by the other shall not be deemed to waive or render unnecessary approval of any similar or subsequent acts or requests.

17.5 Survival. Notwithstanding anything to the contrary in this Agreement, each indemnity obligation under this Agreement shall survive expiration or termination of this Agreement. Further all other obligations under this Agreement that arise and were not satisfied

before expiration or termination of this Agreement shall survive any expiration or termination of this Agreement.

17.6 Non-Discrimination. Developer covenants by and for itself and its successors or assigns, and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the following conditions:

17.6.1 Standards. That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (l) of subdivision (p) of Section 12955, and Section 12955.2 of the Government code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site nor shall Developer, itself, himself or herself, or any person claiming under or through it, him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, subtenants, sublessees, or vendees in the Site.

17.7 Relationship of the Parties. The subject of this Agreement is a private development with neither Party acting as the agent of the other Party in any respect. None of the provisions in this Agreement shall be deemed to render City a partner in Developer's business, or joint venturer or member in any joint enterprise with Developer.

***[remainder of page intentionally left blank]***

**Signature Page  
TO  
2015 EL MONTE HOUSING AUTHORITY  
MEMORANDUM OF UNDERSTANDING  
AND  
EXCLUSIVE NEGOTIATING AGREEMENT  
(Veterans Family Housing Project)**

IN WITNESS WHEREOF, City and Developer have signed and entered into this Agreement as of the Effective Date by and through the signatures of their respective authorized representative(s), as follow:

CITY,

El Monte Housing Authority  
a public body, corporate and politic

By:   
Its: CITY MANAGER

APPROVED AS TO FORM

  
Housing Authority Legal Counsel

DEVELOPER,

Mercy Housing California,  
a California nonprofit public benefit corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

Signature Page  
TO

2015 EL MONTE HOUSING AUTHORITY  
MEMORANDUM OF UNDERSTANDING  
AND  
EXCLUSIVE NEGOTIATING AGREEMENT  
(Veterans Family Housing Project)

IN WITNESS WHEREOF, City and Developer have signed and entered into this Agreement as of the Effective Date by and through the signatures of their respective authorized representative(s), as follow:

CITY

El Monte Housing Authority  
a public body corporate and politic

By: \_\_\_\_\_  
Jesus M. Gomez  
Executive Director

APPROVED AS TO FORM

\_\_\_\_\_  
Housing Authority Legal Counsel

MERCY HOUSING CALIFORNIA,  
a California nonprofit public benefit corporation

By:  \_\_\_\_\_

Its: VICE PRESIDENT

**EXHIBIT "A"  
TO  
EXCLUSIVE NEGOTIATING AGREEMENT**

Project Site

[Attached behind this cover page]

# ACE - Baldwin Ave. Grade Separation (West Side)

## Total ACE Owned Gross Land Area

79,545 s.f. (1.8 ac.)

- Bessie Ave. Cul-de-sac (West) = 2,509 s.f. (.06 ac.)
- Pump station = 976 s.f. (.02 ac.)
- Slope Area (West) = 11,993 s.f. (.28 ac.)
- Net Usable Land (West) = 64,067 s.f. (1.47 ac.)



bing™

Image courtesy of LAR, LLC ©2015 Hillcrest Corporation ©2015 Hanna, INC

# ACE - Baldwin Ave. Grade Separation (East Side)

Total ACE Owned Gross Land Area

78,917 s.f. (1.8 ac.)

-  Bessie Ave Cul-de-sac (East) = 2,734 s.f. (.06 ac.)
-  Slope Area (East) = 13,385 s.f. (.31 ac.)
-  Net Usable Land (East) = 62,798 s.f. (1.44 ac.)



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3/18/2015

**EXHIBIT "B"**  
**TO**  
**EXCLUSIVE NEGOTIATING AGREEMENT**

Schedule of Performance

Submit Financing Plan to City – Within 30 days of Effective Date

Submit Updated Project Concept to City – Within 30 days of Effective Date

City to Establish Site Control – within 90 days of Effective Date

**ATTACHMENT 5  
2015  
EL MONTE HOUSING AUTHORITY  
DISPOSITION AND DEVELOPMENT AGREEMENT  
(MERCY HOUSING FAMILY VETERANS AFFORDABLE RENTAL HOUSING  
PROJECT)**

**2015**  
**EL MONTE HOUSING AUTHORITY**  
**DISPOSITION AND DEVELOPMENT AGREEMENT**  
**(MERCY HOUSING FAMILY VETERANS AFFORDABLE RENTAL HOUSING**  
**PROJECT)**

**THIS 2015 DISPOSITION AND DEVELOPMENT AGREEMENT** (the “Agreement”) is dated as of October 12, 2015 by and between the **EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic (the “Authority”), and **MERCY HOUSING CALIFORNIA**, a California nonprofit public benefit corporation (the “Developer”).

***RECITALS***

A. The Authority has entered into an Agreement of Purchase and Sale and Joint Escrow Instructions dated as of September 28, 2015 (the “ACE Purchase Agreement”) with the Alameda Corridor East Construction Authority (“ACE”), a joint powers authority, to acquire certain real properties (the “Site”) located at the intersection of Baldwin Avenue and Rose Avenue as shown in Attachment No. 1 in the City of El Monte for the development of a Veterans Family Housing project described herein (the “Housing Project”).

B. By this Agreement, and subject to the terms and conditions herein, the Authority desires to convey the Site to the Developer at the purchase price (the “Purchase Price”) of Two Million, Six Hundred Sixty Thousand Dollars and 00/100 (\$2,660,000) it is paying to ACE for the Site, and to provide certain financial assistance to the Developer in the form of the Authority Financial Assistance as set forth herein.

C. Developer desires to acquire the Site from the Authority and using the proceeds of the Authority Financial Assistance and other funds, including the monies to be obtained by the Developer from the Community Development Commission of Los Angeles County (“LACDC”), to construct and operate approximately fifty-five (55) service-enriched rental dwelling units with a preference for low-income families which include at least one Veteran, and homeless Veterans, where household income does not exceed 30% to 60% of Area Median Income at an affordable rent for the “Affordability Period,” as this term is defined below.

D. The Authority’s acquisition of the Site and conveyance of the Site to Developer, the provision of the Authority Financial Assistance, and the Developer’s acquisition of the Site from Authority and development and operation of the Housing Project thereon pursuant to this Agreement, is in the vital and best interest of the City of El Monte and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, the parties hereto agree as follows:

## 100. DEFINITIONS

**“ACE”** means the Alameda Corridor East Construction Authority, a California joint powers public authority.

**“ACE Purchase Agreement”** means the purchase and sale agreement dated as of September 28, 2015 between the Authority and ACE which provides for ACE to convey fee title to the Site to the Authority.

**“Act”** means the Housing Authorities Law of the State of California, Health and Safety Code Section 34200, *et seq.*, as the same may from time to time be amended.

**“ADA”** shall mean the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101, *et seq.*, as the same may from time to time be amended.

**“Affordability Period”** shall mean the duration of the affordable housing requirements which are set forth in this Agreement and the Regulatory Agreement, as set forth in Section 502 hereof.

**“Affordable Rent”** shall have the meaning set forth in Health and Safety Code Section 50053, as further defined in Section 505 hereof.

**“Agreement”** means this 2015 Disposition and Development Agreement between Authority and the Developer.

**“Authority”** means the El Monte Housing Authority, a public body, corporate and politic.

**“Authority Financial Assistance”** means and refers to the aggregate amount of the (i) Land Cost Donation, (ii) the Development Project Loan and (iii) the Development Project Mitigated Fee Loan to be made available by the Authority to the Developer for the Housing Project as set forth in this Agreement.

**“Authority Financial Assistance Documents”** means and refers to collectively, the Development Project Promissory Note, the Development Project Deed of Trust, the Development Project Mitigated Fee Loan Note, the Development Project Mitigated Fee Loan Deed of Trust, the Authority Regulatory Agreement and related documents.

**“Authority Regulatory Agreement”** shall mean the affordable rental housing facility regulatory agreement which is to be recorded as an encumbrance to the Housing Project in a form which is attached hereto as Attachment No. 7 and incorporated herein, in accordance with Section 510 hereof.

**"Best Knowledge"** means the actual knowledge of the party's employees and agents who manage the Site or have participated in the preparation of this Agreement, and all documents and materials in the possession of such party, and shall not impose a duty of investigation.

**"Certificate of Completion"** means the document which evidences the Developer's satisfactory completion of the development of the Housing Project, as set forth in Section 506 hereof, substantially in the form of Attachment No. 6 hereto.

**"City"** means the City of El Monte, California, a California municipal corporation. The City is not a party to this Agreement and shall have no obligations hereunder.

**"LACDC Funds"** means the funds administered by LACDC and the Housing Authority of the County of Los Angeles.

**"Close of Escrow" and "Closing"** means and refers to the date on which the conditions for the transfer of the Site to the Developer have been satisfied and the Authority Financial Assistance Documents, the Grant Deed, Authority Regulatory Agreement and the related documents are filed with the Office of the Recorder. The Close of Escrow shall occur on or before the date indicated in the Schedule of Performance.

**"Conditions Precedent"** means the conditions precedent to the conveyance by the Authority of the Site to the Developer, as set forth in Sections 205.1 and 205.2 hereof.

**"County"** shall mean the County of Los Angeles, California.

**"Default"** means the failure of a party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and opportunity to cure, as set forth in Section 601 hereof.

**"Developer"** means Mercy Housing California, a California nonprofit public benefit corporation, and its permitted successors and assigns.

**"Development Plans"** means those plans and drawings to be submitted to City for its approval, pursuant to Section 302 hereof.

**"Development Project Loan"** means and refers to the development project loan from the Authority in favor of the Developer in an original principal amount of Two Hundred and Fifty Thousand Dollars (\$250,000) as provided in Section 405.

**"Development Project Loan Deed of Trust"** means and refers to the security interest to be created by the Developer as the trustee in favor of the Authority as beneficiary securing the Development Loan Note in the form of Attachment No. 11.

**"Development Project Loan Note"** means and refers to the promissory note to be executed by the Developer as the maker, in favor of the Authority as the holder, in the amount of

the Development Project Loan in the form of Attachment No. 10.

***“Development Project Mitigation Fee Loan”*** means and refers to the development project loan from the Authority in favor of the Developer in an original principal amount not to exceed Five Hundred Thousand Dollars (\$500,000) as provided in Section 407.

***“Development Project Mitigation Fee Loan Deed of Trust”*** means and refers to the security interest to be created by the Developer as the trustee in favor of the Authority as beneficiary securing the Development Loan Note in the form of Attachment No. 12.

***“Development Project Mitigation Fee Loan Note”*** means and refers to the promissory note to be executed by the Developer as the maker, in favor of the Authority as the holder, in the amount of the Development Project Loan in the form of Attachment No. 13.

***“Effective Date”*** means and refers to the day on which all three (3) of the following events have been accomplished: (i) this Agreement has been approved by the governing board of the Authority; and (ii) this Agreement has been executed by the officers of the Developer; and (iii) this Agreement has been executed by the officers of the Authority. The Effective Date shall be noted by the Authority Counsel on the signature page of this Agreement.

***“Governmental Requirements”*** means all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the state, the County, the City, or any other political subdivision in which the Housing Project is located, and of any other political subdivision, agency, or instrumentality exercising jurisdiction over the Developer or the Housing Project.

***“Grant Deed”*** means the grant deed transferring title to the Site to the Developer, in substantially the form attached hereto as Attachment No. 3.

***“Hazardous Materials”*** means any substance, material, or waste which is or becomes regulated by any local governmental authority, the County, the State of California, regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law)), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated byphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Division 4, Chapter 20, (ix) designated as "hazardous substances" pursuant to

Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6903) or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.* Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities as are customarily used in the construction, maintenance, development or management of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Housing Project, including without limitation alcohol, aspirin, tobacco and saccharine.

**"Housing Project"** means the multifamily apartment complex to be developed and operated by the Developer as provided herein.

**"Housing Project Accounting Year"** means and refers to the tax year accounting period designated by the Developer in its Tax Credit Limited Partnership Agreement.

**"Housing Units"** means the individual apartment units within the Housing Project to be developed and operated by the Developer.

**"LACDC"** means the Community Development Commission of the County of Los Angeles.

**"Legal Description"** means the description of the Site which is attached hereto as Attachment No. 1 and incorporated herein.

**"Lender"** means each of the responsible financial lending institutions or persons or entities approved by the Authority in its reasonable discretion, which provide construction loans or permanent loans for the development or operation of the Housing Project, as set forth in Section 407 hereof.

**"Lower Income Household"** shall mean a household earning not greater than that percentage of Los Angeles County area median income, adjusted for household size, which is set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50079.5.

**"Low-or-Moderate Income Household"** shall mean a household earning not greater than that percentage of Los Angeles County area median income, adjusted for household size, which is set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50093.

**"Notice"** shall mean a notice in the form prescribed by Section 702 hereof.

**"Outside Closing Date"** means the last date that the Closing may occur, as set forth in Section 203.4 hereof.

**"Rent"** shall mean the total of monthly payments by the tenants of a Housing Unit for use and occupancy for the Housing Unit and facilities associated therewith, including a reasonable allowance for utilities for an adequate level of service, as defined in 25 California Code of Regulations Section 6918.

**"Residual Receipts"** mean and refer to the portion of the annual cash income of the Housing Project as more particularly described in the Development Project Loan Note and the Development Project Mitigation Fee Loan Note.

**"Schedule of Performance"** means that certain Schedule of Performance attached hereto as Attachment No. 4 and incorporated herein, which sets forth the time for performing the various obligations of this Agreement.

**"Scope of Development"** means that certain Scope of Development attached hereto as Attachment No. 5 and incorporated herein, which describes the scope, amount, and quality of the development of the Housing Project by the Developer pursuant to the terms and conditions of this Agreement.

**"Site"** means that certain real property located near the intersection of Baldwin Avenue and Rose Avenue, to the south of the new railroad street grade separation recently completed by ACE in the City, as described in the Legal Description and depicted on the Site Map.

**"Site Map"** means the map of the Site which is attached hereto as Attachment No. 2 and incorporated herein.

**"State TCAC"** means and refers to the State of California Tax Credit Allocation Committee.

**"Tax Credit Limited Partnership Agreement"** means and refers to the limited partnership agreement by and between the Developer and its tax credit investor limited partners. The final form of the Tax Credit Limited Partnership Agreement shall be subject to the written approval of the Authority prior to the Close of Escrow and such approval by the Housing Authority shall not be unduly withheld, conditioned or delayed.

**"Tax Credit Regulatory Agreement"** shall mean the regulatory agreement which may be required to be recorded against the Housing Units with respect to the issuance of Tax Credits, as set forth in Section 607 hereof.

**"Title Policy"** means the policy of title insurance to be issued to the Developer pursuant to Section 204 hereof.

**"Very Low Income Household"** shall mean a household earning not greater than the applicable percentage of Los Angeles County area median income, adjusted for household size, as set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50105.

**“Veteran”** means a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable, pursuant to 38 U.S.C. Section 101, and regulations of the United States Department of Veteran Affairs.

## **200. SALE OF THE SITE TO DEVELOPER**

**201. Authority Acquisition of Site.** Prior to the Effective Date of this Agreement, the Authority shall have entered into an agreement with ACE which provides for the Authority’s acquisition of the Site from ACE (the “ACE Purchase Agreement”). The Authority hereby covenants and agrees with the Developer that the Authority shall carry out all of its obligations under the ACE Purchase Agreement and keep the ACE Purchase Agreement in full force and effect until Authority’s acquisition of the Site from ACE or the end of the term of the ACE Purchase Agreement, whichever date may first occur. If the Developer so requests, the Authority shall use good faith efforts and ACE Purchase Agreement option extension funds provided by the Developer to the Authority to obtain an extension to the outside date for close of escrow to accommodate the anticipated timing of the closing of other financing to be obtained for the Housing Project. Provided that the Developer remains in compliance with this Agreement, and all of the Authority Conditions Precedent are satisfied in accordance with Section 205.1 hereof, the Authority shall acquire fee title to the Site pursuant to the terms of the ACE Purchase Agreement. The Authority shall send to the Developer any notices of default of the ACE Purchase Agreement that Authority receives from ACE, immediately upon receipt of such notices. Developer shall have the right to cure any defaults of the ACE Purchase Agreement on behalf of the Authority, and upon the uncured default of the Authority shall have the right to assume the Authority’s rights under the ACE Purchase Agreement and acquire the Site directly from ACE. Any expense incurred by Developer in curing such default and acquiring the Site shall be applied as a credit against any monetary obligations of Developer to the Authority under this Agreement.

## **202. Agreement to Purchase and Sell; Purchase Price.**

(a) The Developer agrees to purchase the Site from the Authority, and the Authority agrees to sell the Site to the Developer, in accordance with and subject to all of the terms, covenants, and conditions of this Agreement, for the sum of Two Million, Six Hundred Sixty Thousand Dollars and 00/100 (\$2,660,000) (the “Purchase Price”). The Purchase Price is equal to the sum payable by the Authority to ACE for the Site under the ACE Purchase Agreement.

(b) Purchase Price amount shall be payable by the Developer to the Authority in cash at the Close of Escrow; and

(c) The Developer acknowledges and agrees that the sole source of funds which is or shall be available to the Authority to pay ACE the cash portion of the ACE purchase price for the acquisition of the Site from ACE under the terms of the ACE Purchase Agreement shall be obtained by the Authority from the Developer and the Developer’s completion of the financing for its acquisition and development of the Housing Project, and the satisfaction of the Developer’s

Conditions Precedent. The Developer further acknowledges and agrees that in the event that the Authority's Conditions Precedent to Closing are not satisfied by a date not later than December 31, 2016, as such date may be extended to December 31, 2017 by the Authority in accordance with the terms of the ACE Purchase Agreement, and the Site is not acquired by the Authority or the Developer by such date, the ACE Purchase Agreement is subject to termination and cancellation by ACE in the discretion of ACE as provided in the ACE Purchase Agreement.

**203. Escrow.** Within the time set forth in the Schedule of Performance, the Parties shall open escrow ("Escrow") with Lawyer's Title Company in its Los Angeles office (Attn: Kathy Religioso) or with another escrow company mutually satisfactory to both Parties (the "Escrow Agent").

**203.1 Costs of Escrow.** The Developer shall pay the premium for the Title Policy as set forth in Section 204 hereof and the documentary transfer taxes due with respect to the Conveyance of the Site, and the parties shall each pay half of all other usual fees, charges, and costs which arise from Escrow.

**203.2 Escrow Instructions.** This Agreement constitutes the joint escrow instructions of Developer and Authority, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The Parties hereto agree to execute and deliver such documents (in recordable form as required), pay or deposit such funds, do all such acts consistent with their respective obligations hereunder as may be reasonably necessary to close this Escrow in the shortest possible time and in any event on or before the date set forth in the Schedule of Performance. All funds received in the Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State. All disbursements shall be made by check from such account. If in the opinion of Escrow Agent or either Party it is necessary or convenient in order to accomplish the Closing of this transaction, such Party may require that the Parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The Parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. Escrow Agent is instructed to release Authority's and Developer's escrow closing statements to both Parties.

**203.3 Authority of Escrow Agent.** Escrow Agent is authorized to, and shall:

(a) Pay and charge the Authority for the premium of the Title Policy and any endorsements thereto as set forth in Section 204, the documentary transfer tax, and any amount necessary to place title to the Site in the Condition of Title provided for in Section 203 of this Agreement.

(b) Pay and charge Authority and Developer for their shares of any escrow fees, charges, and costs payable in accordance with Section 202.1 of this Agreement.

(c) Disburse funds and deliver and record the Grant Deed when both the

Developer's Conditions Precedent and the Authority's Conditions Precedent have been fulfilled or waived in writing by the benefited Party or Parties.

(d) Record the applicable Authority Financial Assistance Documents and deliver each of the applicable promissory notes of the Developer to the Authority.

(e) Do such other actions as necessary, including, without limitation, obtaining the Title Policy, to fulfill its obligations set forth in this Agreement and to close the transactions contemplated hereby.

(f) Within the discretion of Escrow Agent, direct the Authority and the Developer to execute and deliver any instrument, affidavit, and statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and any similar state act and regulation promulgated thereunder. Authority agrees to execute a Certificate of Non-Foreign Status by individual transferor and/or a Certification of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act as may be required by Escrow Agent, on the form to be supplied by Escrow Agent.

(g) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

**203.4 Closing.** The conveyance of the Site shall close (the "Closing") within thirty (30) business days after the Parties' satisfaction (or written waiver, as the case may be) of all of the Authority's and Developer's Conditions Precedent to Closing as set forth in Section 205 hereof, and in no event shall the Closing occur later than December 31, 2017 (the "Outside Closing Date"). In the event that the December 31, 2016 initial deadline for closing pursuant to the ACE Purchase Agreement is extended as provided in Section 202(c) hereof, the Outside Closing Date shall be extended to the revised closing deadline pursuant to the ACE Purchase Agreement. The "Closing" shall mean the time and day the Grant Deed is filed for record with the County Recorder. The "Closing Date" shall mean the day on which the Closing occurs.

**203.5 Closing Procedure.** Escrow Agent shall close the Escrow for the Site as follows:

(a) Record the Grant Deed, and the applicable Authority Financial Assistance Documents, including the Authority Regulatory Agreement;

(b) Deliver and record any loan or financing documents as may be requested by the Developer or its construction lender (if applicable);

(c) Instruct the Title Company to deliver the Title Policy to the Developer;

(d) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements; and

(e) Deliver the FIRPTA Certificate, if any, to the Developer; and

(f) Forward to both the Developer and the Authority a separate accounting of all funds credited to a party or received and disbursed for each Party and copies of all executed and recorded or filed documents deposited into Escrow, with such recording and filing date and information endorsed thereon.

(g) **Review of Title.** Within the time set forth in the Schedule of Performance, the Authority shall cause Lawyer's Title Insurance Company or another title company mutually agreeable to both parties (the "Title Company"), to deliver to the Developer a preliminary title report or reports (collectively, the "Title Report") with respect to the title to the Site, together with legible copies of the documents underlying the exceptions ("Exceptions") set forth in the Title Report. The Developer shall have the right to reasonably approve or disapprove the Exceptions; provided, however, that the Developer hereby approves the lien of any non-delinquent property taxes and assessments (to be prorated as of the Closing Date).

The Developer shall have thirty (30) days from the later of the date of its receipt of the Title Report or the Effective Date of this Agreement to give written Notice to the Authority and Escrow Agent of the Developer's approval or disapproval of any of such Exceptions set forth in the Title Report, within its reasonable discretion. Developer's failure to provide Notice of its approval of the Title Report within such time limit shall be deemed disapproval of the Title Report. If the Developer delivers Notice to the Authority of its disapproval or if there is deemed disapproval of any Exceptions in the Title Report, the Authority shall notify ACE of the disapproved Exceptions, and shall attempt to obtain ACE's commitment to remove such disapproved Exceptions or provide assurances satisfactory to the Developer within said time period that such Exception(s) will be removed on or before the Closing. If the Authority cannot obtain a commitment to remove any of the disapproved Exceptions, the Developer shall either give the Authority written Notice that the Developer elects to proceed with the purchase of the Site subject to the disapproved Exceptions or to give the Authority written Notice that the Developer elects to terminate this Agreement. The Developer's failure to provide such notice shall be deemed Developer's election to terminate this Agreement. Fee simple title subject only to the Exceptions to title approved by the Developer as provided herein shall hereinafter be referred to as the "Condition of Title." The Developer shall have the right to approve or disapprove any further Exceptions reported by the Title Company after the Developer has approved the Condition of Title for the Site (which are not created by the Developer). The Authority shall not voluntarily create any new exceptions to title following the Date of Agreement.

**204. Title Insurance.** Concurrently with recordation of the Grant Deed conveying title to the Site to the Developer, the Title Company shall (a) issue to the Developer, at the Developer's election, a CLTA or ALTA owner's policy of title insurance (the "Title Policy"), together with such endorsements as are reasonably requested by the Developer, insuring that the title to the conveyed Site is vested in the Developer in the Condition of Title approved by the Developer as provided in Section 203 of this Agreement. The Title Company shall provide the Authority with a copy of the Title Policy. The Developer shall pay the premium for the Title

Policy and any endorsements thereto, and the Developer shall pay the cost of a survey (if required by the Developer and/or the Title Company).

**205. Conditions of Closing.** The Closing of the Conveyance of the Site is conditioned upon the satisfaction (or written waiver by the benefited Party or Parties in its or their sole and absolute discretion) of the following terms and conditions within the times designated below:

**205.1 Authority's Conditions of Closing.** The Authority's obligation to proceed with the Closing of the Conveyance of the Site is subject to the fulfillment or waiver by Authority of each and all of the conditions precedent (a) through (i), inclusive, described below (the "Authority's Conditions Precedent"), which are solely for the benefit of the Authority, and which shall be fulfilled or waived by the time periods provided for herein (provided, however, that if the reason for the failure of any of the following conditions is due to an Authority Default, such failure shall not be deemed to constitute the failure of the Authority's Conditions Precedent):

(a) **No Default.** At the Closing, the Developer shall not be in material Default in any of its obligations set forth in this Agreement and all representations and warranties of Developer contained herein shall be true and correct in all material respects.

(b) **Acquisition of Site; ACE Purchase Agreement.** The Authority shall have acquired fee title to the Site, or if not acquired, the ACE Purchase Agreement shall be in full force and effect, and the Authority shall be entitled to acquire the Site from ACE pursuant to the terms of the ACE Purchase Agreement concurrently with the Close of Escrow.

(c) **Execution of Documents.** The Developer shall have executed the Authority Financial Assistance Documents, including the Authority Regulatory Agreement and any other documents required to be executed by the Developer hereunder, and delivered such documents into Escrow.

(d) **Payment of Funds.** Prior to the Close of Escrow, the Developer shall have deposited into escrow the closing costs that are the Developer's responsibility to pay.

(e) **Design Approvals.** Developer shall have obtained approval of each and all design approvals required for the Housing Project as described in Section 302 hereof.

(f) **Land Use Approvals.** Developer shall have obtained approval from the City of each and all of the land use approvals for the Housing Project and the Site as described in Section 305 hereof.

(g) **Construction Contract.** Developer shall have provided to the Authority a signed copy of the contract between the Developer and one or more general contractors for the construction of the development, certified by the Developer to be true and correct copies thereof.

(h) **Insurance.** The Developer shall have provided proof of insurance as required by Section 307 hereof.

(i) **Financing.** The Developer shall have provided to the Authority proof of financing for the Housing Project as provided in Section 407 hereof, and the approved construction financing shall have be available to the Developer, and shall be ready to close and fund upon the Closing.

**205.2 Developer's Conditions of Closing.** Developer's obligation to proceed with the purchase of the Site is subject to the fulfillment or waiver by Developer of each and all of the conditions precedent (a) through (j), inclusive, described below (the "Developer's Conditions Precedent"), which are solely for the benefit of Developer, and which shall be fulfilled or waived by the time periods provided for herein (provided, however, that if the reason for the failure of any of the following conditions is due to a Developer Default, such failure shall not be deemed to constitute the failure of the Developer's Conditions Precedent):

(a) **No Default.** At the Closing, the Authority shall not be in material Default in any of its obligations set forth in this Agreement and all representations and warranties of Authority contained herein shall be true and correct in all material respects.

(b) **Execution of Documents.** The Authority shall have executed the Grant Deed and the Authority Regulatory Agreement and any other documents required to be executed by the Authority hereunder, and delivered such documents into Escrow.

(c) **Acquisition of Site.** The Authority shall have acquired fee title to the Site, or shall be acquiring fee title concurrently with the Closing.

(d) **Title Policy.** The Title Company shall have unconditionally committed to issue the Title Policy to the Developer, in accordance with Section 204 hereof.

(e) **Design Approvals.** Developer shall have obtained approval of each and all design approvals required for the Housing Project from the City as described in Section 302 hereof.

(f) **Land Use Approvals.** Developer shall have obtained approval from the City of each and all of the land use approvals for the Housing Project and the Site as described in Section 305 hereof.

(g) **Environmental Condition.** Developer shall not have elected to terminate this Agreement due to the environmental condition of the Site pursuant to Section 206 hereof.

(h) **Prepayment Receipt Issued by City for City Development Fees.** Developer has confirmed that concurrently upon the Close of Escrow the City shall issue its receipt in favor of the Developer acknowledging the prepayment of the City Development Fees under Section 425.

(i) **Financing.** The acquisition and construction financing which is required for the acquisition of the Site and the development of the Housing Project shall be available to the Developer, and such financing shall have closed and funded or shall be ready to close and

fund upon the Closing.

(j) **Insurance.** The Developer shall have obtained insurance as required by Section 307 hereof, and environmental insurance for the Site if Developer reasonably determines that it requires such environmental insurance policy.

**205.3 Mutual Waiver of Conditions Upon Allocation of Tax Credits in 2016.** Notwithstanding the foregoing, in the event that the Developer receives an allocation of Tax Credits in 2016, but the required financing and final approval of construction drawings are not expected to be obtained until after the deadline for the Housing Authority's acquisition of the Site pursuant to the ACE Purchase Agreement, then in such event either party may provide notice to the other party requesting that the parties reasonably consider waiving the conditions precedent to closing that could not reasonably be satisfied prior to the deadline for the Housing Authority's acquisition of the Site pursuant to the ACE Purchase Agreement, and to proceed with the Authority's purchase of the Site from ACE and conveyance of the Site to the Developer. The approval of the party who receives such a notice shall not be unreasonably withheld, conditioned or delayed.

## **206. Physical and Environmental Condition of the Site.**

**206.1 As-Is Condition; Exceptions.** Except as set forth herein, the Site shall be conveyed to the Developer in an "as is" physical and environmental condition, with no warranty, express or implied, by the Authority as to the condition of any existing improvements, the soil, its geology, the presence of known or unknown faults or Hazardous Materials or toxic substances, and it shall be the sole responsibility of the Developer at its expense to investigate and determine the physical and environmental conditions. If the physical or environmental condition is not in all respects entirely suitable for the use or uses to which the Site will be put, the Developer may terminate this Agreement pursuant to Section 605 hereof. If the Developer approves the physical and environmental condition of the Site and accepts the conveyance of the Site, then it shall be the sole responsibility and obligation of the Developer to take such action as may be necessary to place the physical and environmental conditions of the Site in a condition entirely suitable for the purposes of the residential use and occupancy of the Site as proposed by the Developer under this Agreement.

**206.2 Physical and Environmental Investigation and Testing of Site.** The Authority shall ensure that Developer shall have the right under the ACE Purchase Agreement, at the Developer's sole cost and expense, to engage its own environmental consultant (the "Environmental Consultant") to make such investigations of the Site as the Developer deems necessary, including but not limited to invasive testing, geotechnical testing, and any "Phase I" and/or "Phase II" investigations of the Site as authorized by ACE, and the Authority shall promptly be provided a copy of all reports and test results provided to the Developer by the Environmental Consultant (collectively, the "Environmental Report"). The Developer shall reasonably approve or disapprove of the physical and environmental condition of the Site within the time set forth in the Schedule of Performance, and shall have the further right to review and approve any subsequent changes in the environmental condition of the Site after Developer's initial approval. The Developer's failure to deliver written Notice of its approval within such

time limit shall be deemed disapproval of the physical and environmental condition of the Site.

**206.3 Release of Authority.** Subject to the Closing, the Developer for itself and for its successors and assigns hereby waives, releases and discharges forever the Authority, the Authority and the City, and their respective employees, officers, agents and representatives, from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, arising out of or in any way connected with the physical and environmental condition of the Site, any Hazardous Materials on or under the Site, or the existence of Hazardous Materials contamination due to the generation of Hazardous Materials from the Site, however they came to be placed there, except that arising out of the negligence or misconduct of the Authority or City or their respective employees, officers, agents or representatives. This waiver, release and discharge of the Developer in favor of the Authority shall be included in the text of the Grant Deed.

The Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which 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.”

As such relates to this Section 206.3, the Developer hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

**206.4 Developer Precautions After Closing.** Upon the Closing, the Developer shall take all necessary but reasonable precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Site which have been conveyed to the Developer, except as may be provided otherwise by applicable Governmental Requirements. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, the Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials.

**206.5 Developer Indemnity.** Upon the Closing, the Developer agrees to indemnify, defend and hold the Authority harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from the Site which occurs during the period of the Developer's ownership thereof, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Site which occurs during the period of the Developer's ownership of the Site. This indemnity shall include, without limitation, any damage, liability, fine, penalty, or expense arising from or out of any claim, action, suit or

proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. At the request of the Developer, the Authority shall cooperate with and assist the Developer in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that the Authority shall not be obligated to incur any expense in connection with such cooperation or assistance.

### **300. DEVELOPMENT OF THE HOUSING PROJECT**

**301. Development of the Housing Project.** The Developer agrees to construct and develop the Housing Project substantially in accordance with the Scope of Development which is attached hereto as Attachment No. 5 and incorporated herein, all applicable local codes, development standards, ordinances and zoning ordinances in effect at the time of project completion, and the Development Plans which are approved by the City pursuant to Section 302 hereof. The Housing Project shall generally consist of a multifamily apartment complex with approximately fifty-five (55) apartment units, and associated parking, landscaping and common areas. Except for the Authority Financing Assistance to be provided to the Developer by the Authority, all other funds necessary to complete the acquisition and development of the Housing Project shall be obtained by the Developer.

#### **302. Development Project Application and Development Plans.**

(a) The Developer shall submit to the City each of the completed application or applications (each a “Development Project Application”) as the Developer shall hereafter prepare for submittal to the City for the review and discretionary development project approval by the City for the improvement of the Housing Project on the Site. Each Development Project Application shall include all of the information necessary for the City to issue its Development Project Approvals for the Housing Project consistent with the Scope of Development and all development compliance conditions and environmental mitigation measures required by the City. Following the approval by the City of the applicable Development Project Application(s) for the Housing Project the Developer shall promptly prepare the appropriate plans, materials and drawings describing the means and methods for development of the Housing Project (collectively, the “Development Plans”) for submittal to the City for the issuance by the City (or the applicable regulatory jurisdiction) of the regulatory and building permits (each a “Development Project Permit”) as required under the Governmental Requirements for the initiation of construction and improvement of the Housing Project. The Developer shall prepare and complete the applicable Development Project Application(s) and prepare and submit the appropriate Development Plans to obtain the Development Project Permits on or prior to the date set forth in the Schedule of Performance (subject to force majeure pursuant to Section 603 hereof). Upon the City’s disapproval or conditional approval of any such Development Project Application or, later, any Development Project Permit, the Developer shall revise the portions of such plans identified by the City as requiring a revision and resubmit the revised plans to the City. The City shall have all rights to review and approve or disapprove all Development Project

Applications and Development Plans and other required submittals in accordance with the City Municipal Code, and nothing set forth in this Agreement shall be construed as the City's approval of any such Development Project Application or Development Plan. Any and all change orders or revisions required by the City, or a City official or building inspector which is/are required under the Municipal Code and all other applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other applicable laws and regulations shall be included by the Developer in its Development Plans and other required submittals and shall be completed during the development of the Housing Project. Neither the Authority nor the City shall be responsible either to the Developer or to third parties in any way for any defects in the Development Plans, nor for any structural or other defect in any work done according to the approved Development Plans, nor for any delays reasonably caused by the review and approval processes established by this Section 302.

(b) The Authority hereby agrees to assist and cooperate with the Developer to obtain the Development Project Approvals and the Development Project Permits from the City for the Housing Project; provided however the words, "assist and cooperate" as used in the preceding sentence shall not require the authority to contribute any funds beyond the amount of the Authority Financing Assistance as set forth in this Agreement. During the time prior to the Closing under the ACE Purchase Agreement, the Authority shall cause ACE to authorize the Developer to submit to the City of any Development Project Application or Development Plan as may be required for the Housing Project.

(c) The Developer acknowledges and agrees that the City retains regulatory jurisdiction over the approval of the Housing Project including each Development Project Approval and each Development Project Permit. The City is not a party to the Agreement and no provision hereof shall be deemed to confirm any right or privilege upon the Developer as may otherwise arise under Government Code Section 65850 et seq. The City retains the sole and absolute discretion under its regulatory and other police powers to review each Development Project Application, and the Development plans and to confirm that each of them is complete, and to issue the Development Project Permits for the Housing Project and to impose such development conditions of the City as may deem to be applicable to the Housing Project in its reasonable discretion.

**303. Construction Contract.** Developer shall enter into a contract with one or more general contractors reasonably acceptable to the Authority for the construction of the Housing Project.

**304. Timing of Development of the Housing Project.** The Developer hereby covenants and agrees to commence the development of the Housing Project within the time set forth in the Schedule of Performance, which is attached hereto as Attachment No. 4 and incorporated herein (subject to force majeure pursuant to Section 603 hereof). The Developer further covenants and agrees to diligently prosecute to completion the development of the Housing Project in accordance with the approved Development Plans within the time set forth in the Schedule of Performance. Either party may request changes to the Schedule of Performance, which changes shall be subject to the reasonable approval of the other party as provided in

Section 313 hereof.

**305. City and Other Governmental Permits.** Before commencement of the development of the Housing Project, the Developer shall secure or cause its contractor to secure any and all permits and land use entitlements which may be required by the City or any other governmental agency affected by such construction, including without limitation building permits. The Developer shall pay all necessary fees and timely submit to the City final drawings with final corrections to obtain such permits, and the staff of the Authority will, without obligation to incur liability or expense therefor, use its best efforts to expedite the City's issuance of building permits and certificates of occupancy for construction that meets the requirements of the City Code, and all other applicable laws and regulations.

**306. Certificate of Completion.** Promptly after the completion of the development of the Housing Project in conformity with this Agreement (as reasonably determined by the Authority Executive Director or his or her designee), upon the written request of the Developer, the Authority shall furnish the Developer with a Certificate of Completion (substantially in the form attached hereto as Attachment No. 6) which evidences and determines the satisfactory completion of the development of the Housing Project in accordance with this Agreement. The issuance and recordation of the Certificate of Completion with respect to the Housing Project shall not supersede, cancel, amend or limit the continued effectiveness of any obligations relating to the maintenance, or uses, or payment of monies, or any other obligations, except for the obligation to complete the development of the Housing Project or applicable portion thereof as of the time of the issuance of the Certificate of Completion.

**307. Insurance of the Developer.**

(a) In order to protect the Authority, its governing board, commissions, agents, officers, employees and authorized representatives against all claims and liability for death, injury, loss and damage as a result of Developer's actions in connection with the Authority Financial Assistance provided by the Authority under this Agreement and the design, construction, operation and financing of the Housing Authority Project, the Developer shall secure and maintain insurance as described in this Section 307. Such insurance shall be in full force and effect as of the Effective Date, and thereafter the Developer shall continuously maintain such insurance for the term of the Regulatory Agreement. Developer shall pay any deductibles under all required insurance policies.

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of the Agreement."

Developer shall require each contractor and sub-contractor engaged to perform any work on the Housing Project to provide workers' compensation for all of such contractors' or sub-contractors' employees, unless the contractors' or sub-contractors' employees are covered by worker's compensation insurance afforded by the Developer. If any class of employees engaged in work or services performed in connection with the Project is not covered by Labor Code Section 3700, the Developer shall provide and/or require each contractor or sub-contractor to provide adequate

insurance for the coverage of employees not otherwise covered.

(c) The Developer shall maintain in full force and effect, at all times during the term of the Agreement, the following insurance:

(i) Commercial General Liability Insurance coverage, including, but not limited to, premises-operations, products-completed operations hazards, personal injury (including bodily injury and death), and property damage for liability arising out of the construction of the Project and/or Developer's operation of the Site pending commencement of construction of the Project. Said insurance coverage shall have minimum limits for bodily injury and property damage liability of TWO MILLION DOLLARS (\$2,000,000) each occurrence and FIVE MILLION DOLLARS (\$5,000,000) aggregate.

(ii) Automobile liability insurance against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used by Developer with minimum limits for bodily injury and property damage of ONE MILLION DOLLARS (\$1,000,000) each occurrence and TWO MILLION DOLLARS (\$2,000,000) aggregate. Such insurance shall be provided by a business or commercial vehicle policy.

(iii) If the Developer hires one or more consultants to provide design services, such as architectural or engineering services in connection with the Project, the Developer shall require such consultant to provide professional liability (errors and omissions) insurance, for liability arising out of, or in connection with, the performance of such design services, with limits of not less than ONE MILLION DOLLARS (\$1,000,000).

(iv) During the course of construction, builder's risk insurance to be written on an all-risk completed value form, in an aggregate amount equal to 100% of the completed insurable value of the building(s).

(d) During the course of construction of the Project, Developer shall require that all contractors performing work on the Housing Project to maintain the following insurance coverages at all times during the performance of said work:

(i) Commercial general liability Insurance with limits of not less than TWO MILLION DOLLARS (\$2,000,000) per occurrence and FIVE MILLION DOLLARS (\$5,000,000) aggregate to protect the Developer during the construction phase from claims involving bodily injury and/or death and damage to the property of others. Said insurance shall include an endorsement to include owners' and contractors' protective coverage.

(ii) Automobile liability insurance against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used in the performance of a contractor's obligations to the Developer with minimum limits for bodily injury and property damage of ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate. Such insurance shall be provided by a business or commercial vehicle policy.

(e) The commercial general liability insurance required in Section 307(c) and (d), above

shall include an endorsement naming the Authority and its officials, officers, agents, and employees as additional insureds for liability arising out of the Agreement and any operation related thereto.

(f) If any of the insurance coverages required under Section 307(d) of the Agreement is written on a claims-made basis, such insurance policy shall provide an extended reporting period continuing through the fifth (5<sup>th</sup>) anniversary following the date of acceptance of the improvements by Developer.

(g) As of the Effective Date, evidence of insurance in compliance with the requirements of Section 307(b) shall be furnished to the Authority by the Developer, as evidenced by a endorsements to such policies or contracts of insurance issued by the insurer in favor of the Authority and/or by one or more “certificate of insurance” issued by the authorized agents or attorneys-in-fact of such insurers in a form acceptable to the Authority Counsel. Receipt of evidence of insurance that does not comply with the above requirements shall not constitute a waiver of the insurance requirements set forth above.

(h) The insurance coverages required to be maintained and/or provided by the Developer under this Agreement shall be maintained until the completion of all of Developer’s obligations under the Agreement, and shall not be reduced, modified, or canceled. The Developer shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.

(i) All insurance shall be issued by a company or companies listed in the current “Best’s Insurance Guide” publication with a minimum of a “A(vii)” rating and be a California admitted insurance company.

(j) All insurance afforded by the Developer pursuant to the Agreement shall be primary to and not contributing to any other insurance maintained by the Authority. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve the Developer for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude the Authority from taking such other actions as are available to it under any other provision of the Agreement or otherwise in law. Failure by the Developer to maintain all such insurance in effect at all times required by the Agreement shall be an event of default by Developer. The Authority, at its sole option, may exercise any remedy available to it in connection with such an event of default. Alternatively, the Authority may purchase such required insurance coverage, and the Authority shall invoice any sums due from Developer any premiums and associated costs advanced or paid by the Authority for such insurance. Any failure by the Authority to take this alternative action shall not relieve the Developer of its obligation to obtain and maintain the insurance coverages required by the Agreement.

(k) During the term of the Authority Financial Assistance Documents, including the Authority Regulatory Agreement, any inconsistency or conflict between the insurance coverage provisions of this Section 307 and the applicable Authority Financial Assistance Document, the insurance coverage provisions of the applicable Authority Financial Assistance Document shall prevail and be applicable to the Developer.

**308. Indemnity.** Developer shall, at its expense, defend, indemnify, and hold harmless the Authority and its officers, agents, employees and representatives harmless from any and all losses, liabilities, claims, lawsuits, causes of action, judgments, settlements, court costs, attorneys' fees, and other legal expenses, costs of evidence of title, costs of evidence of value, and other damages of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of Developer or its agents, employees, contractors and subcontractors of any tier and employees thereof in connection with or arising from Developer's performance or nonperformance of its obligations under this Agreement, Developer's ownership or operation of the Housing Project, or the development of the Housing Project, except for any such loss, liability, claim, lawsuit or other damage arising from the gross negligence or willful misconduct of the Authority or its officers, agents, employees or representatives.

**309. Entry by the Authority.** Developer shall permit the Authority, through its officers, agents or employees, at all reasonable times (but subject to tenants' rights of possession) to enter onto the Housing Project and inspect the work of development of the Housing Project to determine that the same is in conformity with the Development Plans and all the requirements hereof. Developer acknowledges that the Authority is under no obligation to supervise, inspect, or inform Developer of the progress of construction, and Developer shall not rely upon the Authority therefor. Any inspection by the Authority is entirely for its purposes in determining whether Developer is in compliance with this Agreement and is not for the purpose of determining or informing Developer of the quality or suitability of construction. Developer shall rely entirely upon its own supervision and inspection in determining the quality and suitability of the materials and work, and the performance of architects, subcontractors, and material suppliers. Authority's rights hereunder are subject to the rights of tenants in possession.

**310. Compliance With Laws.** The Developer shall carry out the design, development and operation of the Housing Project in conformity with all applicable laws, including all applicable state labor standards, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.* The Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Housing Project, subject to the Developer's right to contest in good faith any such taxes, and to the Developer's rights to request exemption under California Revenue and Taxation Code Section 214. The Developer may apply for and receive any exemption from the payment of property taxes or assessments on any interest in or to the Housing Project without the prior approval of the Authority.

**311. Prevailing Wages.** The Developer shall carry out the construction of the Housing Project and the development of the Site in conformity with all applicable federal and state labor laws. Developer and its contractors and subcontractors shall pay prevailing wages and employ apprentices in compliance with Health and Safety Code Sections 33423 through 33426, and Labor Code Section 1770, *et seq.*, and shall be responsible for the keeping of all records required pursuant to Labor Code Section 1776, complying with the maximum hours

requirements of Labor Code Sections 1810 through 1815, and complying with all regulations and statutory requirements pertaining thereto. Developer shall be solely responsible for determining and effectuating compliance with such laws, and the Authority makes no representation as to the applicability or non-applicability of any of such laws to the construction of the Housing Project or any part thereof. Developer hereby expressly acknowledges and agrees that the Authority has not previously affirmatively represented to the Developer or its contractor(s) for the construction or development of the Housing Project, in writing or otherwise, in a call for bids or otherwise, that the work to be covered by this Agreement is not a “public work,” as defined in Section 1720 of the Labor Code.

Developer shall indemnify, protect, defend and hold harmless the Authority and its officers, employees, contractors and agents, with counsel reasonably acceptable to the Authority, from and against any and all loss, liability, damage, claim, cost, expense and/or “increased costs” (including reasonable attorneys fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction, and/or operation of the Housing Project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the development of the Housing Project, including, without limitation, any and all public works (as defined by applicable law), Developer shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. “Increased costs,” as used in this Section 311, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the development of the Housing Project by the Developer.

**312. City of El Monte Construction Job Employment Outreach Program of the Developer.**

(a) The Developer hereby agrees to use faith efforts to recruit residents of the City of El Monte for any new job or entry level employment positions, and to the extent of all other factors being equal and consistent with other applicable law, the Developer covenants on a best efforts basis to give El Monte residents preference for hiring for such new entry level job or employment positions and to the maximum reasonable and feasible extent, use the services of businesses which are located in the City of El Monte which result from the performance of this Agreement and which are performed within the City.

(b) “Good faith efforts” of the Developer for the purposes of this Section 312 include, but are not limited to, the following factors:

- (1) advertisement in local media concerning employment, contracting and subcontracting opportunities;
- (2) providing written notice to a reasonable number of local business enterprises soliciting their interest in contracting or subcontracting in sufficient time to allow them to participate effectively;
- (3) establishing an applicant pool of eligible persons who have responded to such entry level employment outreach efforts of the Developer;
- (4) attendance at pre-solicitation or pre-bid meetings that were scheduled by the Authority to inform contractors or subcontractors of contracting and subcontracting opportunities for local business enterprises;
- (5) following up initial solicitation of interest by contacting local business enterprises by telephone to determine with certainty whether they are interested in participating;
- (6) selecting portions of the work to be performed by local business enterprises;
- (7) providing interest local business enterprises and other enterprises with adequate information about the plans, specifications and requirements of contracts and subcontracts;
- (8) negotiating in good faith with interested local business enterprises to perform work; and
- (9) making reasonable efforts to assist interested local business enterprises in obtaining necessary sources of supply, lines of credit or insurance in order to participate in such work associated with the Project.

(c) If requested to do so by the Authority, the Developer shall provide the Authority with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.

(d) Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act which is prohibited by law.

### **313. Housing Project Implementation Consultations.**

(a) Commencing upon the Effective Date, and thereafter through the completion of the Housing Project or earlier termination of this Agreement, the Developer and Authority staff shall conduct regular meetings at the Authority offices, to review the status of each of the following matters of mutual interest as applicable:

- (i) the Developer investigations of the Site;
- (ii) the administration of the ACE Purchase Agreement;
- (iii) the administration of the Escrow;
- (iv) review of the Developer's Pro Forma and the sources of funds available to the Developer and the Authority to pay for Housing Project costs which are the responsibility of the applicable party to pay for;
- (v) finalization of the text of each of the Authority Financial Assistance Documents in preparation for the Close of Escrow;
- (vi) review of the State TCAC submissions of the Developer and the Tax Credit Limited Partnership Agreement;
- (vii) review of the status of Developer financing for the development of the Housing Project including the Developer Construction Loan commitment and the construction loan financing and the permanent loan financing;
- (viii) review of the Housing Project Construction Budget and the Developer's preparation of construction project documentation for the Housing Project under Section 303, 304 and 305;
- (ix) review of the implementation of the Housing Project job employment outreach program under Section 312;
- (x) review the Developer marketing plans for the rental housing dwelling units, and the preparation of one or more community outreach plans for the preparation of a tenant eligibility list for Veterans households who may qualify, to initially occupy the Veteran Preference Units;
- (xi) review of the progress of specific items of construction and improvement by the Developer of each element of the Housing Project;
- (xii) review the status of audit and accounting of various costs incurred by the parties under the Agreement, including without limitation the audit of amounts disbursed by the Authority to the Developer as the Authority Financing Assistance;
- (xiii) review of the CEQA finding of exemption for the Housing Project during the implementation of the Housing Project;
- (xiv) review and confirmation of the dates set forth in the Schedule of Performance for the performance of the obligations of the parties and the satisfaction of various conditions precedent with respect to the redevelopment of the Housing Project;
- (xv) coordination of the funding for the Housing Project provided by LACDC,

and the State Department of Housing and Community Development, as applicable, with the Authority Financial Assistance; and

(xvi) review of other matters as requested in writing by either party.

(b) In the event that either party confirms within ninety (90) days following the Effective Date that the dates of one or more milestones set forth either in this Agreement or in the Schedule of Performance cannot be feasibly accomplished within the time frame set forth in the Schedule of Performance, as such date or milestone appeared in the Schedule of Performance or this Agreement on the Effective Date, the parties shall consider under the provisions of Section 313(c) one or more specific extensions of the applicable date. However, the notice provided in this Section 313(b) shall not be a condition precedent to the extension of any such dates.

(c) This Agreement and the Schedule of Performance set forth various dates and times relating to the implementation of the Housing Project, and the accomplishment of the various tasks assigned to the responsible party including without limitation, the satisfaction of the conditions precedent for the Close of Escrow. The parties agree and declare that time is of the essence in the performance of such tasks and the satisfaction of conditions precedent for the Closing in view of the large investment of resources which both parties recognize will be required for the redevelopment of the Housing Project. In the event that the date for the completion of a task or the satisfaction of a condition relating to the implementation of the Housing Project and/or the Close of Escrow may not be achieved by the particular date ascribed to the task or condition as set forth either in the text of this Agreement or in the Schedule of Performance, including any extensions for delays due to force majeure if applicable, then at least thirty (30) days prior to such date the parties shall, as part of their consultations under Section 313(a), consider whether a modification to the Schedule of Performance may be indicated. Any decision to approve a modification or a series of such modifications to the time for performance of a task as provided in either this Agreement or the Schedule of Performance, shall be subject to the mutual reasonable discretion of the Authority Executive Director and the Developer and shall not be unreasonably withheld, conditioned or delayed by either party. Each such modification of a date in the Schedule of Performance shall be evidenced by a written modification of the Schedule of Performance, signed by the Executive Director and Developer which references this Section 313(c). Notwithstanding the foregoing, the Authority Executive Director may require that any modification or series of modifications of a time or date for performance of a particular matter set forth in this Agreement or in the Schedule of Performance which results in a delay or extension of more than one hundred and eighty (180) days later than the time as originally provided in the Schedule of Performance on the Effective Date, may be made subject to the approval of the governing board of the Authority in its reasonable discretion.

(d) Notwithstanding any provision of Section 313(c) to the contrary, the date assigned in the Schedule of Performance for the escrow closing in the ACE Purchase Agreement shall not be subject to modification or adjustment by the Executive Director under the provisions of Section 313(c) to a date later than December 31, 2017, unless the Authority is successful in negotiating an extension to the term of the ACE Purchase Agreement as provided in Section 201 hereof, in which case the parties shall agree to an extension of the closing date as provided in Section 203.4 hereof. Any other change to the date set for the escrow closing under the ACE Purchase Agreement to a date later than December 31, 2017, except as provided above, shall be subject to the prior written approval of the Developer, the governing board of ACE and the governing board of the

Authority in the sole and absolute discretion of each of them.

**400. FINANCING OF THE DEVELOPMENT OF THE HOUSING PROJECT.**

**404. Development Project Loan.** As a separate and further part of the Authority Financial Assistance, the Authority hereby agrees to loan to the Developer the amount of Two Hundred and Fifty Thousand Dollars (\$250,000), subject to the terms and conditions set forth within the Authority Financial Assistance Documents and instruments executed by the Developer in connection with this transaction. The proceeds of the Development Project Loan shall be disbursed upon the Close of Escrow for the credit and account of the Developer to pay a portion of the Purchase Price.

**405. Repayment of Development Project Loan.** The obligation of the Developer to repay the Development Project Loan shall be evidenced by the Development Project Loan Note as set forth in the form of Attachment No. 10. The Development Project Loan Note shall be for a term of fifty-five (55) years from the date of the Development Project Loan Note, and shall bear two-percent (2%) interest. The Development Project Loan Promissory Note shall be payable from fifty percent (50%) of the Residual Receipts of the Housing Project, until the Development Project Loan Note has been paid in full, subject to the allocation of the Developer's loan repayments as provided in Section 402 above. The Development Project Loan Note shall be non-recourse to the Developer.

**406. Security for Development Project Loan.** The Development Project Loan Note shall be secured by the Development Project Deed of Trust to be recorded as an encumbrance to the Site substantially in the form of Attachment No. 11.

**407. Development Project Mitigation Fee Loan.** As a further and separate part of the Authority Financial Assistance, the Authority hereby agrees to loan to the Developer a principal amount not to exceed the sum of Five Hundred Thousand Dollars (\$500,000), subject to the terms and conditions set forth within the Authority Financial Assistance Documents and instruments executed by the Developer in connection with this transaction. The proceeds of the Development Project Mitigation Fee Loan shall be disbursed upon the Close of Escrow for the account of the Developer to pay for the development project capital fees and charges identified on the Development Project Fee Schedule as mutually approved by the Developer and the Authority as provided in Section 425.

**408. Repayment of the Development Project Mitigation Fee Loan.** The obligation of the Developer to repay the Development Project Mitigation Fee Loan shall be evidenced by the Development Project Mitigated Fees Loan Note as set forth in the form of Attachment No. 13. The Development Project Mitigated Fees Loan Note shall be for a term of fifty-five (55) years from the date of the Development Project Mitigation Fee Loan Note, and shall bear two-percent (2%) interest. The Development Project Mitigation Fee Loan Promissory Note shall be payable from fifty percent (50%) of the Residual Receipts of the Housing Project, until the Development Project Mitigation Fee Loan Note has been paid in full, subject to the allocation of the Developer's loan repayments as provided in Section 402 above. The Development Project Mitigation Fee Loan Note shall be non-recourse to the Developer.

**409. Security for Development Project Mitigation Fee Loan.** The Development Project Mitigation Fee Loan Note shall be secured by the Development Project Mitigation Fee Loan Deed of

Trust substantially in the form of Attachment No. 13.

**410. Disbursement of Authority Financial Assistance Funds.** The proceeds of the Development Project Loan shall be disbursed for the payment of the cash portion of the Purchase Price of the Site. As provided in Section 407, the proceeds of the Development Project Mitigated Fees Loan shall be disbursed upon the Close of Escrow as a credit for the account of the Developer to pay for certain development project capital fees and charges, and therefore no cash proceeds of the Development Project Mitigated Fees Loan shall be disbursed at Closing.

**411. Subordination.** Each of the deeds of trust securing the repayment of the Authority Financial Assistance shall be made subordinate to the deed of trust for the acquisition, construction and permanent financing for the Housing Project, and to other private financing obtained by the Developer for the Housing Project, and shall be on parity with the LACDC loan to the Housing Project and payable pro rata from Residual Receipts of the Housing Project available to repay the LACDC loan and the Housing Authority Financial Assistance loans.

**412. Assumption.** None of the promissory notes evidencing the obligation of the Developer to repay the Authority Financial Assistance loans to the Authority shall be assumable by successors and assigns of Developer except for those successors approved or permitted pursuant to Section 705 hereof.

**413. Required Submissions.** Developer shall submit the following documents to the Authority as evidence of financing for the Housing Project:

(a) a copy of a legally binding, firm and enforceable loan commitment(s) or approval(s) obtained by the Developer from unrelated financial institutions for the mortgage loan or loans for construction and permanent financing, subject to such lenders' reasonable, customary and normal conditions and terms,

(b) the Tax Credit Limited Partnership Agreement or binding funding commitment letter from the equity investors in the Housing Project which demonstrates that Developer has sufficient funds for such construction, and that such funds have been committed to such construction, and a current financial statement of Developer and Developer's other sources of equity capital, and

(c) other documentation reasonably satisfactory to Authority as evidence of other sources of capital, all of which together are sufficient to demonstrate that the Developer has adequate funds, together with the proceeds of any other financing to construct and complete the Housing Project.

**414. Holder Performance of Development of the Housing Project.** The holder of any mortgage or deed of trust for construction financing authorized by this Agreement shall not be obligated by the provisions of this Agreement to develop the Housing Project or any portion thereof, or to guarantee such construction or completion; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder.

**415. Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure.**

With respect to any mortgage or deed of trust granted by Developer as provided herein, whenever Authority may deliver any notice or demand to Developer with respect to any breach or default by the Developer hereunder or under any other document executed pursuant to this Agreement, Authority shall at the same time deliver to each holder of record of any mortgage or deed of trust authorized by this Agreement a copy of such notice or demand. Each such holder shall (insofar as the rights granted by Authority are concerned) have the right, but not the obligation, at its option, within thirty (30) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such default and to add the cost thereof to the mortgage debt and the lien of its mortgage. Nothing contained in this Agreement shall be deemed to permit or authorize any construction lender to undertake or continue the construction or completion of the development of the Housing Project, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to Authority by written agreement reasonably satisfactory to Authority. The construction lender, in that event, must agree to complete, or cause to be completed by a party which is reasonably acceptable to the Authority, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates. Any such construction lender (or assignee approved by the Authority) properly completing such improvement shall be entitled, upon compliance with the requirements of Section 306 of this Agreement, to a Certificate of Completion. It is understood that a construction lender or its assignee shall be deemed to have satisfied the thirty (30) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of the Housing Project (or portion thereof), if and to the extent any such holder or its assignee has within such thirty (30) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default.

**416. Failure of Holder to Complete Housing Project Development.** In any case where, ninety (90) days after the holder of any construction loan mortgage or deed of trust creating a lien or encumbrance upon the Housing Project or any part thereof receives a notice from Authority of a default by Developer in completion of construction of any of the development under this Agreement, and such holder has not exercised the option to perform the development or cause the development to be performed as set forth in Section 414, or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, Authority may purchase the mortgage or deed of trust by payment to the holder of the amount of the unpaid construction loan mortgage or deed of trust debt, including principal and interest and all other sums secured by the mortgage or deed of trust upon terms agreed upon by the Authority and the holder.

**417. Subordination of Affordability Covenants.** The Authority hereby finds that an economically feasible method of financing for the construction and operation of the Housing Project, without the subordination of the affordable housing covenants as may be set forth in this Agreement and Authority Regulatory Agreement, is not reasonably available. The Authority shall make the affordable housing covenants set forth in this Agreement and the Authority Regulatory Agreement junior and subordinate to the deeds of trust and other documents required in connection with the construction and permanent financing for the Housing Project permitted

pursuant to this Agreement. Any subordination agreement entered into by the Authority shall contain written commitments which the Authority finds are reasonably designed to protect Authority's investment in the event of default, such as any of the following: (a) a right of Authority to cure a default on the senior loan prior to foreclosure, (b) a right of Authority to negotiate with one or more of the lenders who have a security interest in the Site and/or the Housing Project, including both senior lenders and other lenders who may be on parity with the Authority with respect to the Residual Receipts of the Housing Project after notice of default from such lender and prior to foreclosure to protect the security interest of the Authority under any of the Authority Financial Assistance Documents, including without limitation the Authority Regulatory Agreement, (c) an agreement that if prior to foreclosure of the loan, Authority takes title to the Site and cures the default on the senior loan, such lender will not exercise any right it may have to accelerate its senior loan by reason of the transfer of title to Authority, and (d) a right of Authority to exercise any of its creditor rights or remedies under the Authority Financial Assistance Documents including the acquisition of the Housing Project from the Developer at any time after a material default on a senior loan.

**418. Community Development Commission.**

(a) The Developer hereby agrees to exercise its best effort to cause the LACDC to consider and approve an application of the Developer and the Housing Project pursuant to the 2015 NOFA Round 21 of the LACDC. The Developer hereby agrees to provide the Authority with copies of all correspondence and written communication between the Developer and LACDC with respect to the processing, service and approval by LACDC of the allocation of Funds for the Housing Project pursuant to the 2015 NOFA Round 21 of LACDC. The Authority hereby agrees upon the written request of the Developer to assist and reasonably cooperate with the Developer in the submission of such an application to LACDC. As used in the preceding sentence, the words "assist and reasonably cooperate" mean that the Authority: (i) shall not be required to take any action beyond its capabilities as the expertise or availability of its staff to perform their other duties; (ii) all out-of-pocket expenses of the Authority to so assist or cooperate shall be done solely by the Developer; and (iii) the Authority shall not be deemed to have guaranteed or be liable for any result of such endeavor of the Developer.

(b) In the event that the Developer applies to the LACDC for NOFA Round 21 Funds and does not receive an award of such funds, the Developer hereby agrees to exercise its best effort to cause the Community Development Commission of the County of Los Angeles (the "LACDC") to consider and approve an application of the Developer and the Housing Project pursuant to NOFA Round 22 in 2016. The Developer hereby agrees to provide the Authority with copies of all correspondence and written communication between the Developer and LACDC with respect to the processing, service and approval by LACDC of the allocation of these funds for the Housing Project pursuant to the LACDC NOFA Round 22. The Authority hereby agrees upon the written request of the Developer to assist and reasonably cooperate with the Developer in the submission of such an application to LACDC.

**419. Housing Project Construction Budget.**

(a) As of the Effective Date, the Developer has included a preliminary Project

Construction Budget as part of the Developer's Project Development Pro Forma. The preliminary Project Construction Budget has been prepared by the Developer based upon the development project application for the Housing Project as approved by the City and the Developer represents and warrants to the Authority that as of the Effective Date, the preliminary Housing Project Construction Budget contains an accurate estimate of the actual and reasonable costs necessary to design, construct, improve, furnish and finance the Project, based upon development assumptions which the Developer believes to be reasonable.

(b) Both the LACDC Funds and the State TCAC application materials for the Housing Project to prepared and submitted by the Developer to LACDC and to State TCAC, as applicable, includes development costs assumptions and estimates for the Housing Project which are based upon the preliminary Project Construction Budget.

(c) Upon the Effective Date, the Developer hereby agrees to diligently prepare applications for issuance of development project permits to the City for improvement of the Housing Project based upon the development project application as approved by the City. The plans and specifications prepared by the Developer in connection with such applications for issuance of development project permits shall provide the Developer and the Authority with the basis to confirm, update and further refine the preliminary Project Construction Budget for purposes of obtaining the construction loan from the construction lender.

(d) Concurrently with the Developer's submission of the construction loan documents to the Authority for its review and approval under Section 413, the Authority shall confirm that the final form of the Project Construction Budget as accepted and approved by the Construction Lender is reasonably consistent with the preliminary Project Construction Budget and the Housing Development Pro Forma for the Housing Project.

**420. State TCAC Application for Affordable Rental Tax Credit Allocation to the Project.** The Developer hereby agrees to exercise its best effort to cause State TCAC to consider and approve an application for a reservation of affordable rental tax credits for the Housing Project in accordance with the application as guidelines of State TCAC. The Developer hereby agrees to provide the Authority with copies of all correspondence and written communications by and between State TCAC staff and the Developer with respect to the processing, review and approval by State TCAC of the affordable rental tax credit reservation for the Housing Project. The Authority hereby agrees upon the written request of the Developer to assist and reasonably cooperate with the Developer in the submission of such an application to State TCAC. As used in the preceding sentence, the words "assist and reasonably cooperate" mean that the Authority: (i) shall not be required to take any action beyond its capabilities as the expertise or availability of its staff to perform their other duties; (ii) all out-of-pocket expenses of the Authority to so assist or cooperate shall be done solely by the Developer; and (iii) the Authority shall not be deemed to have guaranteed or be liable for any result of such endeavor of the Developer.

**421. Review of Project Operating Cost Budget.**

(a) As part of the ongoing consultations between the Developer and the Authority as provided in Section 313 of this Agreement, the Developer hereby agrees to provide the Authority with all relevant information with respect to the finalization of the terms on which the Tax Credit

Limited Partnership Agreement shall be executed by the Investor Limited Partners and the finalization of such terms as the following for purposes of completing the final form of the Authority Financial Assistance Documents:

- (1) “operating expenses” of the Housing Project;
- (2) actual debt service schedules as projected for all of the “senior debt” as may be secured under the “senior lender documents” for the Housing Project;
- (3) the starting balance of the operating reserve fund and the estimated amounts to be deposited each year to the operating reserve fund for the Housing Project by the Developer;
- (4) the starting balance of the replacement reserve and the estimated amounts to be deposited each year for the replacement reserve fund by the Housing Project;
- (5) the estimated amount of any general partner loans to the Housing Project and the repayment schedule of such general partner loans;
- (6) estimated amounts of the deferred Developer fee for the Housing Project, and the payment schedule for such deferred Developer fee;
- (7) other accounting items which effect the calculation of the amount of Residual Rental Receipts of the Housing Project which may be available during the Housing Project compliance period, each Housing Project Accounting Year for the repayment of the Authority Financial Assistance.

(b) Based upon the consultations between the Developer and the Authority under Section 313, the Parties shall finalize the text of the Authority Financial Assistance Documents prior to the Close of Escrow.

#### **422. Developer’s Housing Project Development Pro Forma.**

(a) As of the Effective Date, the Developer has prepared and presented the Authority with a Housing Project Development Pro Forma for the Housing Project. The Developer’s Housing Development Pro Forma for the Housing Project is on file with the Authority. The parties understand that the Housing Development Pro Forma for the Housing Project will need to be revised from time to time thereafter as elements of the pro forma change. Developer shall submit to the Authority such updated Housing Development Pro Forms for the Housing Project for its reasonable approval. Notwithstanding the foregoing, as long as any updated pro forma (i) does not seek an increase of the amount of the Authority’s Financial Assistance to the Housing Project, or (ii) materially reduce the scope or amenities of the Housing Project as set forth in the Housing Development Pro Forma, no Authority approval of such updated Housing Development Pro Forms for the Housing Project shall be required. Upon the completion of the improvement of the Housing Project, the Developer shall provide an accounting to the Authority for the actual cost incurred by the Developer in connection with the acquisition and construction of the Housing Project as set forth in

Section 423.

(b) At all times following the Effective Date, the Developer shall keep and maintain and make available for review and inspection by the Authority and its auditors accounting books and records for Housing Project acquisition and development costs incurred in connection with the Project in accordance with generally accepted principles of business accounting. The Authority and its accountants and auditors shall have the right upon reasonable prior notice to conduct inspections and reviews of the accounting books and records of the Developer relating to the Housing Project, at the business offices of the Developer. The Developer shall cooperate with the Authority in the production of its accounting books and records for the Housing Project, as reasonably required by the Authority and its auditors to conduct an audit or review of actual Housing Project acquisition and development costs at any time during the course of improvement of the Housing Project.

(c) In the event that following the Effective Date either the Developer or the Authority proposes a substantial modification to the Development Project Application for the Housing Project as approved by the City, the parties acknowledge that the mutual approval of any such proposed modification of the Development Project Application insofar as the Housing Project is concerned could also have a material effect on the Housing Development Pro Forma and could also have a material affect on the Authority's underwriting assumptions which support the Authority Financing Assistance as reasonable and necessary to assist and maintain the affordable rent levels and development of the Housing Project.

**423. Project Audit and Accounting.**

(a) The Developer shall provide the Authority with annual financing statements of its operations with respect its ownership and operation of the Housing Project, promptly following the end of each Housing Project Accounting Year, but in any event no later than one hundred twenty (120) days after the conclusion of each Housing Project Accounting Year, beginning the year after the completion of construction of the Housing Project, and through the end of the regulatory period under the Authority Regulatory Agreement. Upon reasonable notice and advance request by the Authority, shall make available for inspection at the office of the Authority all updated financial information of the Developer for the confidential inspection by either a financial consultant to the Authority or a certified public accountant retained by the Authority to review such information. Such financial information shall be made available on a confidential basis. No financial information of the Developer shall be disclosed by the Authority or its consultants to third persons, other than such consultants of the Authority shall be permitted to comment to the Authority that the financial condition of the Developer has remained the same, improved or deteriorated from that as shown in previously reviewed by the Developer financial information. The Authority shall use all reasonable efforts to protect the confidentiality of the Developer's financial information, subject to disclosures required by applicable law.

(b) The Authority shall have the right at reasonable times to conduct its independent audit of the financial statements, or any component thereof, of the Developer as to those matters set forth in Section 423 above at its sole cost and expense. Each party shall reasonably cooperate with the other party during the conduct of any such audit. Notwithstanding the foregoing, the Authority shall have no right to inspect particular portions of books and/or records for the Developer which the Developer reasonably asserts a claim of attorney/client communications or

other attorney work product.

**424. Estoppels.** No later than thirty (30) days after the request of Developer or any holder of a mortgage deed of trust, Authority shall, from time to time and upon the request of Developer or such holder, execute and deliver to Developer or such holder a written statement of Authority that no default or breach exists (or would exist with the passage of time, or giving of notice or both) by Developer under this Agreement, if such be the determination of the Authority, and certifying as to whether or not Developer has at the date of such certification complied with any obligation of Developer hereunder as to which holder may require. The form of any estoppel letter shall be prepared by the holder or Developer and shall be at no cost to Authority.

**425. Development Project Mitigation Fees Loan – Use of Proceeds.** The Developer shall use and apply the proceeds of the Development Project Mitigation Fees Loan solely for the purpose of paying for City development fees, City building permit fees and charges, City Park and recreation capital charges, City water department capacity charges and water meter connection charges, City domestic sewer connection charges, City stormwater capital charges and City traffic impact mitigation charges assessed to the Housing Project as part of the City development approval process in an aggregate amount not-to-exceed \$500,000. In the event that the total amount of such City capital charges assessed to the Housing Project may exceed the sum of \$500,000, then the Developer shall pay the City the difference in cash at the time of issuance by the City of the applicable development permit for the construction and improvement of the Housing Project. The Developer and the Authority shall, as part of the Housing Project development consultation process under Section 313, confirm the final amount of the Development Project Mitigation Fees Loan by a date not later than thirty (30) days prior to the Close of Escrow. The Development Project Mitigation Fees Loan shall be a credit in favor of the Developer and its assigns, for the payment of such City development fees and at the closing, the City shall deliver to the Developer a written receipt for the prepayment of the City development fees and charges for the Housing Project.

## **500. OPERATION OF HOUSING**

**501. Number of Affordable Units.** Developer agrees to make available, restrict occupancy to, and rent twenty-two (22) (each an “Affordable Unit”) of the Housing Units at the Housing Project at an affordable rent to low income families and individuals earning between 30%-60% of the Area Median Income. Up to two (2) of the Housing Units may be designated as HOME Fund dwelling units, provided however that HOME Funds are made available to the Developer by the Authority One (1) of the Housing Units shall be occupied by the property management staff, with no restrictions on rent or income.

**502. Duration of Affordability Requirements.** The Housing Units shall be subject to the requirements of this Article 500 for fifty-five (55) years from the date of the City’s issuance of a certificate of occupancy for the Housing Project. The duration of this requirement shall be known as the "Affordability Period."

**503. Selection of Tenants; Restriction to Veterans.** Developer shall be responsible for the selection of tenants for the Housing Units in compliance with lawful and reasonable criteria. Developer shall prepare and obtain Authority’s approval, which approval shall not be unreasonably withheld, of a program for marketing the Housing Units and the selection of tenants for

the Housing Units (the “Marketing and Tenant Selection Program”). Developer’s Marketing and Tenant Selection Program shall be aimed at Veterans, and shall include the placement of marketing materials in print and electronic publications oriented to Veteran readers and viewers. To the extent practicable and as permitted by applicable law and Housing Project financing requirements, Developer’s Marketing and Tenant Selection Program shall provide a reasonable preference in its tenant selection process to persons who reside and work in the City; however, such preference shall be secondary to the preference for Veterans and their families. The leasing of the Housing Units shall be marketed and tenants shall be selected in accordance with the approved Marketing and Tenant Selection Program, as the same may be amended from time to time with Authority’s prior written approval, which approval shall not unreasonably be withheld. To the extent permitted under applicable law, Developer shall restrict occupancy of seventeen (17) Housing Units (the “Veteran Units”) to households which include one or more Homeless Veterans. Tenant Selection for occupants of these 17 units will be done through the County’s Coordinated Entry System (“CES”). The remaining 37 units (the “Veteran Preference Units”) shall have a preference for Veterans and their families. In the event that any Housing Unit has been vacant for more than thirty (30) days, and prior to that time Developer has not received a referral from CES for a Veteran Unit, or a rental application from a Veteran household which is a Very Low Income Household or Lower Income Household and meets Developer’s tenant selection standards for a Veteran Preference Unit, then Developer may rent the vacant unit (and other units which subsequently become available) to a Very Low Income Household or Lower Income Household which does not include a Veteran, and the next available unit shall be a Veteran Unit or a Veteran Preference Unit, as applicable.

**504. Household Income Requirements.** Following the initial lease-up of the Housing Units, and annually thereafter, the Developer shall submit to Authority, at Developer's expense, a summary of the income, household size and rent payable by each of the tenants of the Housing Units. At the Authority's request, the Developer shall also provide to the Authority completed income computation and certification forms, in a form reasonably acceptable to the Authority, for any such tenant or tenants. Developer shall obtain a certification from each household leasing an Affordable Unit demonstrating that such household is a Very Low Income Household or Lower Income Household, as applicable, and meets the eligibility requirements established for the Housing Unit. Developer shall verify the income certification of the household.

**505. Affordable Rent.** The maximum Monthly Rent chargeable for the Affordable Units shall be annually determined in accordance with the following requirements. The Monthly Rent for the Affordable Units to be rented to Very Low Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Los Angeles County Median Income for a family of a size appropriate to the unit. The Monthly Rent for the Affordable Units to be rented to Lower Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of Los Angeles County Median Income for a family of a size appropriate to the unit. The Monthly Rent for the Affordable Units to be rented to Low-or-Moderate Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of one hundred ten percent (110%) of Los Angeles County Median Income for a family of a size appropriate to the unit.

Notwithstanding any other provisions of this Agreement, if Developer enters into a regulatory agreement as a requirement of receiving Low Income Housing Tax Credits, compliance with the rent requirements of such regulatory agreement shall constitute compliance with the rent requirements of this Agreement.

For purposes of this Agreement, “Monthly Rent” means the total of monthly payments for (a) use and occupancy of each Affordable Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) 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 Developer. In the event that all utility charges are paid by the landlord rather than the tenant, no utility allowance shall be deducted from the rent.

**506. Maintenance.** The Developer shall maintain or cause to be maintained the interior and exterior of the Housing Units and the Housing Project in a decent, safe and sanitary manner, and in accordance with the standard of maintenance of first class apartment units within Los Angeles County, California. None of the Housing Units in the Housing Project shall at any time be utilized on a transient basis, nor shall the Housing Project or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home.

**507. Social Services.** At all times during the Affordability Period, Developer shall provide activities and programs appropriate to the needs of the residents of the Housing Project, with the selection of such activities and programs to be determined by Developer in collaboration with the residents of the Housing Project. If the provider of such activities and programs is someone other than Developer, the identity of the provider shall be reasonably approved by Authority. If Developer proposes changing the identity of the provider at any time, Developer shall notify the Authority in writing of the identity of the proposed new provider, together with references and a description of the provider’s past experience in providing activities and programs to similar housing and residents, and Authority shall reasonably approve such provider. The approved provider shall annually submit a plan of activities and programs for Authority’s review and reasonable approval, and shall also annually submit to the Authority a report of the prior year’s activities and programs, describing the number and type of activities and programs and the number of residents served by such activities and programs.

**508. Non-Discrimination Covenants.** Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her,

establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the Site on the basis of race, color, religion, sex, marital status, disability, source of income, sexual orientation, familial status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

**In leases:** “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

**In contracts:** “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The covenants established in this Section 508 shall, without regard to technical

classification and designation, be binding for the benefit and in favor of the Authority and its successors and assigns, and shall remain in effect in perpetuity.

**509. Monitoring and Recordkeeping.** Throughout the Affordability Period, Developer shall annually complete and submit to Authority a certification of continuing program compliance in the form provided by the Authority. Representatives of the Authority shall be entitled to enter the Housing Project, upon at least forty-eight (48) hours notice, to monitor compliance with this Agreement, to inspect the records of the Housing Project, and to conduct an independent audit or inspection of such records. The Developer agrees to cooperate with the Authority in making the Housing Project available for such inspection or audit. Developer agrees to maintain records in businesslike manner, and to maintain such records for the term of this Agreement.

**510. Regulatory Agreement.** The requirements of this Agreement which are applicable after the conveyance of the Site to the Developer are set forth in the “Authority Regulatory Agreement” which is attached hereto as Attachment No. 7 and incorporated herein. The execution of the Authority Regulatory Agreement is a Condition Precedent to the Closing, as set forth in Section 205 hereof.

## **600. DEFAULT AND REMEDIES**

**601. Events of Default.** An “Event of Default” shall occur under this Agreement when there shall be a material breach of any condition, covenant, warranty, promise or representation contained in this Agreement and such breach shall continue for a period of thirty (30) days after written notice thereof to the defaulting party without the defaulting party curing such breach, or if such breach cannot reasonably be cured within such thirty (30) day period, commencing the cure of such breach within such thirty (30) day period and thereafter diligently proceeding to cure such breach as soon as reasonably possible, but in no event later than ninety days from the date of the original written notice. However, if a different period or notice requirement is specified for any particular breach under any other paragraph of this Agreement, the specific provision shall control.

**602. Remedies.** The occurrence of any Event of Default shall give the nondefaulting party the right to proceed with any and all remedies set forth in this Agreement and/or the documents executed pursuant to this Agreement, including an action for damages, an action or proceeding at law or in equity to require the defaulting party to perform its obligations and covenants under this Agreement and/or the documents executed pursuant to this Agreement or to enjoin acts or things which may be unlawful or in violation of the provisions of this Agreement and/or the documents executed pursuant to this Agreement, and the right to terminate this Agreement. In addition, the occurrence of any Event of Default by Developer will relieve the Authority of any obligation to perform hereunder. In the event that the ACE Purchase Agreement is terminated for any reason after the award of a funding commitment of LACDC Funds which is the fault of the Authority, then Authority shall pay to Developer the actual and reasonable Developer’s out-of-pocket costs incurred in connection with this Agreement in an amount not-to-exceed Two Hundred Fifty Thousand Dollars (\$250,000). In such event Developer shall submit to Authority an itemized statement of its out-of-pocket costs, and

Authority shall make such payment to Developer within thirty (30) days of its receipt of the itemized statement.

**603. Force Majeure.**

(a) In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default, or considered to be a default, where delays or defaults are due to force majeure events beyond the control of such party, including, without limitation, war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, government imposed moratorium legislation, freight embargoes, lack of transportation, weather-caused delays, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplier, that are not attributable to the fault of the party claiming an extension of time, that suspends the comment of construction of the Housing Project, or, if after such construction is commenced, suspends the prosecution of the work of improvement of the Housing Project. An extension of time for any such force majeure cause shall be for the period of the enforced delay and shall commence to run from the date of occurrence of the delay; provided, however, that the party claiming the existence of the delay first provides the other party with written notice of the occurrence of the delay, within ten (10) days of the commencement of such occurrence of a force majeure event and, thereafter, takes prompt and reasonable action within its control to restore, reconstruct, or rebuild any damage to the Housing Project caused by such force majeure event and resume regular business operation.

(b) The inability of the Developer to obtain the construction loan or later the permanent loan, or the failure of the City to provide any necessary approval relating to the development of the Housing Project or the inability of the Developer to satisfy any other condition of this Agreement relating to the design, financing or development of the Housing Project on the Site, shall not be deemed to be a force majeure event or otherwise provide grounds for the assertion of the existence of a forced delay under this Section 603. The parties each expressly acknowledge and agree that changes in either general economic conditions or changes in the economic assumptions of either of them that provided a basis for entering into this Agreement occurring at any time after the execution of this Agreement, are not force majeure events and do not provide either party with grounds for asserting the existence of a forced delay in the performance of any covenant or undertaking arising under this Agreement. Each party expressly assumes the risk that changes in general economic conditions or changes in their economic assumptions could impose an inconvenience or hardship on the continued performance by such party under this Agreement and that such inconvenience or hardship is not a force majeure event and does not excuse the performance by such party of its obligations under this Agreement.

**604. Termination by Authority.** In the event that Authority is not in Default under this Agreement, and:

(a) One or more of the Authority's Conditions Precedent to Closing is not satisfied on or before the time set forth in the Schedule of Performance, and such Condition Precedent is not satisfied after notice and an opportunity to cure as provided in Section 601 hereof, and such failure is not caused by Authority; or

(b) Developer is otherwise in default of this Agreement and fails to cure such default within the time set forth in Section 601 hereof;

then this Agreement and any rights of Developer or any assignee or transferee with respect to or arising out of this Agreement shall, at the option of Authority, be terminated by Authority by written notice thereof to Developer. From the date of the written notice of termination of this Agreement by Authority to Developer and thereafter this Agreement shall be deemed terminated, and there shall be no further rights or obligations between the parties, except that if the Developer is in default hereunder the Authority, after delivery of notice and expiration of the cure period provided in Section 601 hereof, may pursue any remedies it has at law or equity.

**605. Termination by the Developer.** In the event that the Developer is not in Default under this Agreement and

(a) One or more of the Developer's Conditions Precedent to Closing is not satisfied on or before the time set forth in the Schedule of Performance, and such Condition Precedent is not satisfied after notice and an opportunity to cure as provided in Section 601 hereof, and such failure is not caused by Developer; or

(b) Authority does not tender the Site in the manner and condition and by the date provided in this Agreement, or

(c) In the event of any Default of any material provision of this Agreement by Authority prior to the Closing which is not cured within the time set forth in Section 601 hereof, or

(d) Developer disapproves the physical or environmental condition of the Site pursuant to Section 206.2 hereof; or

(e) Developer has not received all financing necessary for the construction of then Housing Project;

and any such failure is not cured within the applicable time period after written demand by the Developer, then this Agreement may, at the option of the Developer, be terminated by Notice thereof to Authority. From the date of the Notice of termination of this Agreement to Authority and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations between the parties, except that if the Authority is in default hereunder the Developer, after delivery of notice and expiration of the cure period provided in Section 601 hereof, may pursue any remedies it has at law or equity.

**606. Attorneys' Fees.** In addition to any other remedies provided hereunder or available pursuant to law, if either party brings an action or proceeding to enforce, protect or establish any right or remedy hereunder or under any of the documents executed pursuant to this Agreement, the prevailing party shall be entitled to recover from the other party its costs of suit, including without limitation expert witness fees, and reasonable attorneys' fees.

**607. Remedies Cumulative.** No right, power, or remedy given to the Authority by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the Authority by the terms of any such instrument, or by any statute or otherwise against Developer and any other person.

**608. Waiver of Terms and Conditions.** The Authority may, in its sole discretion, waive in writing any of the terms and conditions of this Agreement. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

## **700. GENERAL PROVISIONS**

**701. Time.** Time is of the essence in this Agreement.

**702. Notices.** Any approval, disapproval, demand, document or other notice (“Notice”) which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by reputable business document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (iii) by email and confirmed within five (5) days following the date of such email by United States First Class Mail, postage prepaid, return receipt requested or (iv) mailing in the United States mail, certified mail, postage prepaid, return receipt requested, with each such Notice addressed to the address of the party as set forth below, or at any other address as that party may later designate by Notice:

Developer:                   Mercy Housing California  
1500 S. Grand Avenue, Suite 100  
Los Angeles, California 90015  
Attention: Ed Holder, Vice President  
Email: eholder@mercyhousing.org

Authority:                   El Monte Housing Authority  
11333 Valley Boulevard  
El Monte, California 91731  
Attention: Executive Director  
Email: jesusgomez@elmonteca.gov

Such addresses may be changed by giving prior written notice to the other party in the same manner as provided above.

**703. Representations and Warranties of Developer.** Developer hereby represents and warrants to the Authority as follows:

**(a) Organization.** Developer is a nonprofit public benefit corporation validly existing and in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

(b) **Authority of Developer.** Developer has full power and authority to execute and deliver this Agreement, to execute and deliver the Grant Deed, Authority Regulatory Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) **No Conflict.** The Developer's execution, delivery and performance of its obligations set forth in this Agreement will not constitute a default or a breach under any contract, agreement or order to which the Developer is a party or by which it is bound.

(d) **Pending Proceedings.** Developer is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Developer, threatened against or affecting Developer or the Housing Project, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Developer, materially affect Developer's ability to perform its obligations hereunder.

**704. Authority Representations.** The Authority represents and warrants to the Developer as follows:

(a) **Authority.** The Authority is a public body, corporate and politic, which has been authorized to transact business pursuant to action of the City. The Authority has full right, power and lawful authority to acquire and convey the Site as provided herein, and the execution, performance and delivery of this Agreement by the Authority has been fully authorized by all requisite actions on the part of the Authority.

(b) **FIRPTA.** The Authority is not a "foreign person" within the parameters of FIRPTA or any similar state statute, or is exempt from the provisions of FIRPTA or any similar state statute, or the Authority has complied and will comply with all the requirements under FIRPTA or any similar state statute.

(c) **No Conflict.** The Authority's execution, delivery and performance of its obligations set forth in this Agreement will not constitute a default or a breach under any contract, agreement or order to which the Authority is a party or by which it is bound.

(d) **No Litigation.** To the Authority's Actual Knowledge, there is no threatened or pending litigation against the Authority challenging the validity of this Agreement or any of the actions proposed to be undertaken by the Authority or Developer pursuant to this Agreement. "Actual knowledge," as used herein, shall not impose a duty of investigation, and shall be limited to the actual knowledge of the Authority's employees and agents who have participated in the preparation of this Agreement.

**705. Limitation Upon Change in Ownership, Management and Control of the Developer**

(a) **Prohibition.** The identity and qualifications of Developer as an

experienced and successful redeveloper and operator of rental housing developments are of particular concern to the Authority. It is because of this identity and these qualifications that the Authority has entered into this Agreement with the Developer. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement by assignment or otherwise, nor shall Developer make any total or partial sale, transfer, conveyance, encumbrance to secure financing, assignment or lease of the whole or any part of the Housing Project without the prior written approval of the Authority pursuant to Subparagraph (c) hereof, except as expressly set forth herein, which approval shall not be unreasonably withheld.

**(b) Permitted Transfers.** Notwithstanding any other provision of this Agreement to the contrary and provided that the Developer is not then in material default, Authority approval of an assignment or transfer of this Agreement, the Authority Financing Documents, the Authority Regulatory Agreement, or conveyance of the Housing Project or any part thereof pursuant to subparagraph (c) of this Section 705, shall not be required (except to the extent of an assumption agreement described in (iii), below) in connection with any of the following (the “Permitted Transfers”):

- (i) Subject to the restrictions of Article 500 of this Agreement and the Authority Regulatory Agreement, the lease of Housing Units to qualified tenants.
- (ii) Assignment for financing purposes.
- (iii) Transfer of this Agreement and/or the Housing Project to an entity in which Developer owns not less than fifty percent (50%) of the beneficial interest in the Housing Project, and is under the management and control of the Developer, and the transferee entity executes an agreement reasonably acceptable to the Authority assuming all of the obligations under this Agreement.
- (iv) Transfer of this Agreement and the Housing Project to a limited partnership in which Mercy Housing California or an affiliated entity is a general partner, with tax credit investors owning the remainder of the limited partnership.
- (v) Transfer of partnership interests in the Developer’s limited partnership to the nonprofit general partner at the end of the fifteen year Low Income Housing Tax Credits initial compliance period.

In the event of a Permitted Transfer by Developer, Developer nevertheless agrees that at least thirty (30) days prior to such a Permitted Transfer it shall give written notice to Authority of such assignment or transfer.

**(c) Authority Consideration of Requested Transfer.** The Authority agrees that it will not unreasonably withhold approval of a request made pursuant to this Section 705, provided (a) the Developer is not then in material default and delivers written notice to the Authority requesting such approval, and (b) the proposed assignee or transferee possesses comparable operational experience and capability, and comparable net worth and resources, as the proposed transferor or assignor, and (c) the assignee or transferee assumes the obligations of

the Developer under this Agreement in a form which is reasonably acceptable to the Authority. Such notice shall be accompanied by evidence regarding the proposed assignee's or purchaser's qualifications and experience and its financial commitments and resources sufficient to enable the Authority to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 705(c) and other criteria as reasonably determined by the Authority. The Authority shall approve or disapprove the request within thirty (30) days of its receipt of the Developer's notice and all information and materials required herein.

**(d) Authority Assignment.** The Authority may assign its rights and obligations under this Agreement to the City of El Monte, subject to the prior reasonable approval of the Developer to such assignment by the Authority.

**(e) Successors and Assigns.** This Agreement shall run with the land, and all of the terms, covenants and conditions of this Agreement shall be binding upon the Developer and the permitted successors and assigns of the Developer. Whenever the term "Developer" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

**706. Non-Liability of Officials and Employees of Authority.** No member, official or employee of Authority or the City shall be personally liable to Developer or any successor in interest, in the event of any Default or breach by Authority or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Agreement.

**707. Relationship Between Authority and Developer.** It is hereby acknowledged that the relationship between Authority and Developer is not that of a partnership or joint venture and that Authority and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided herein or in the Attachments hereto, Authority shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Housing Project.

**708. Authority Approvals and Actions.** The Authority shall maintain authority of this Agreement and the authority to implement this Agreement through the Authority's Executive Director (or his duly authorized representative). The Executive Director shall have the authority to make approvals, issue interpretations, waive provisions, make and execute further agreements and/or enter into amendments of this Agreement on behalf of the Authority so long as such actions do not materially or substantially change the uses or development permitted on the Site, or materially or substantially add to the costs incurred or to be incurred by the Authority as specified herein, and such interpretations, waivers and/or amendments may include extensions of time to perform as specified in the Schedule of Performance. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the Authority Board.

**709. Counterparts.** This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement. This Agreement is executed in three (3) originals, each of which is deemed to be an original.

**710. Integration.** This Agreement contains the entire understanding between the

parties relating to the transaction contemplated by this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written including without limitation the agreements of the Parties as set forth in the Memorandum of Understanding and Exclusive Negotiating Agreement, dated as of May 1, 2015, are merged in this Agreement and shall be of no further force or effect. Each party is entering this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. This Agreement includes Attachment Nos. 1 through 11, which together with the Agreement constitute the entire understanding and agreement of the parties, notwithstanding any previous negotiations or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

**711. Real Estate Brokerage Commission.** Authority and Developer each represent and warrant to the other that no broker or finder is entitled to any commission or finder's fee in connection with this transaction, and Developer and Authority agree to defend and hold harmless the each other from any claim to any such commission or fee resulting from any action on its part.

**712. Titles and Captions.** Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. Reference to section numbers are to sections in this Agreement, unless expressly stated otherwise.

**713. Interpretation.** As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties.

**714. No Waiver.** A waiver by either party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

**715. Modifications.** Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

**716. Severability.** If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

**717. Computation of Time.** The time in which any act is to be done under this Agreement is computed by excluding the first day and including the last day, unless the last day

is a holiday or Saturday or Sunday, and then that day is also excluded. The term “holiday” shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

**718. Legal Advice.** Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

**719. Time of Essence.** Time is expressly made of the essence with respect to the performance by Authority and Developer of each and every obligation and condition of this Agreement.

**720. Cooperation.** Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

**721. Conflicts of Interest.** No member, official or employee of Authority shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

**722. List of Attachments.** The following is an identification of the various attachments to this Agreement. Each attachment is hereby incorporated into the text of this Agreement by this reference:

Attachment No. 1	Legal Description of the Site
Attachment No. 2	Site Map
Attachment No. 3	Form of Grant Deed
Attachment No. 4	Schedule of Performance
Attachment No. 5	Scope of Development
Attachment No. 6	Certificate of Completion

Attachment No. 7	Authority Regulatory Agreement
Attachment No. 8	[RESERVED – NO ATTACHMENT]
Attachment No. 9	[RESERVED – NO ATTACHMENT]
Attachment No. 10	Development Project Loan Note
Attachment No. 11	Development Project Deed of Trust
Attachment No. 12	Development Project Mitigation Fee Loan Note
Attachment No. 13	Development Project Mitigation Fee Loan Deed of Trust

*[SIGNATURES ON NEXT PAGE]*

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as evidenced by the signatures of the authorized members or officers of each of them which appear below.

**DEVELOPER**

**MERCY HOUSING CALIFORNIA**, a California nonprofit public benefit corporation

Date: December \_\_\_\_\_, 2015

By: \_\_\_\_\_  
Ed Holder  
Vice President

**AUTHORITY**

**EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic

Date: December \_\_\_\_\_, 2015

By: \_\_\_\_\_  
Andre Quintero  
Chair

Date: December \_\_\_\_\_, 2015

By: \_\_\_\_\_  
Jesus Gomez  
Executive Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Authority Counsel

EFFECTIVE DATE IS: \_\_\_\_\_, 2015

**ATTACHMENT NO. 1**  
**LEGAL DESCRIPTION OF THE SITE**

ATTACHMENT NO. 2

SITE MAP

ACE - Baldwin Ave. Grade Separation (West Side)



# ACE - Baldwin Ave. Grade Separation (East Side)



**ATTACHMENT NO. 3**

RECORDING REQUESTED BY )  
AND WHEN RECORDED MAIL TO: )  
)  
)  
)  
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This document is exempt from payment of a recording fee pursuant to government Code Section 27383.

Documentary Transfer Tax: \$ \_\_\_\_\_  
Based on Full Value of Real Property Conveyed

**GRANT DEED**

For valuable consideration, receipt of which is hereby acknowledged,

The **EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic (the "Authority"), effective as of \_\_\_\_\_, 201\_\_, hereby grants to \_\_\_\_\_ ("Developer"), the real property described in Exhibit A attached hereto and incorporated herein, subject to the existing easements, restrictions and covenants of record described there, and the requirements of the Disposition and Development Agreement between the parties, dated as of \_\_\_\_\_, 20\_\_.

**AUTHORITY:**

**EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Authority Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Authority Counsel

**EXHIBIT "A" TO GRANT DEED  
LEGAL DESCRIPTION OF SITE**

**ATTACHMENT NO. 4**

**SCHEDULE OF PERFORMANCE**

Developer applies for Community Development Commission of the County of Los Angeles NOFA 21	On or before the LACDC deadline therefor, October 21, 2015
Developer submits Development Plans to City	Within 60 days after receipt of an award of NOFA 21 funds from LACDC.
If Developer is successful in obtaining LACDC Funds from October 2015 application, Developer submits application for allocation of 9% Low Income Housing Tax Credits	On or before the deadlines for the first and second application rounds, anticipated to be on or before March 6, 2016 (1 <sup>st</sup> Round) and June 29, 2016 (2 <sup>nd</sup> round)
City Planning Commission considers development project application approvals	As promptly as feasible following complete submission by Developer
Developer submits construction documents to City for plan check	Within 100 days after receipt of allocation of 9% Low Income Housing Tax Credits
Developer receives construction permits from City	Within 180 days after receipt of allocation of 9% Low Income Housing Tax Credits
Escrow (Developer – Authority) is opened	Within 150 days after receipt of allocation of 9% Low Income Housing Tax Credits
Closing for Developer acquisition of Site from Authority	Within 180 days after receipt of allocation of 9% Low Income Housing Tax Credits, but not later than December 31, 2017
Developer commences construction of Housing Project	Within 60 days after Closing
Developer submits leasing and marketing plan to the Authority	As promptly as feasible following closing
Developer completes construction of Housing Project	Within 600 days after commencement of construction
Developer commences leasing of Housing Units	Within 30 days after completion of construction and issuance of Certificate of Occupancy
Developer completes leasing of Housing Units	Within 120 days after completion of construction and issuance of Certificate of Occupancy

## ATTACHMENT NO. 5

### SCOPE OF DEVELOPMENT

The Housing Project is a mixed population affordable housing development that will consist of approximately fifty-five (55) apartments that will serve Homeless Veterans and low-income Veteran households and one (1) manager's apartment, along with associated parking, offices, outdoor space, and common area necessary to serve the resident population. The target population for seventeen (17) Special Needs units is Heads of Households who are Veterans who are experiencing homelessness. The target population for the (thirty-seven) 37 Non-Special Needs units will have a preference for Veteran Heads of Households. Twenty-two (22) Housing units will be subject to the rental affordability restrictions of the Authority under the Authority Regulatory Agreement.

The Housing Project is located on two separate long narrow parcels situated on either side of Baldwin Avenue between Bessie Avenue and Rose Avenue (the West parcel and the East parcel). The project takes advantage of a pedestrian bridge located on its north side at Bessie Ave and a sidewalk connection on its south side at Rose Ave. It is designed to best utilize the long narrow parcels by organizing the buildings to front Baldwin Ave as a series of rowhouse type buildings, locating the vehicular access at the rear of the long "bar" building design, creating a pedestrian friendly street frontage in this single family neighborhood. Distinct massing, a mixture of textures and colors, and lush, native landscaping create a unique identity, pleasing rhythm and welcoming exterior. Sustainability and safety are achieved through thoughtful selection of systems and materials.

The Housing Project housing project has a mix of 16 one-bedroom units, 20 two-bedroom units, and 19 three-bedroom units. It includes a leasing office, three offices for services staff, centrally-located laundry rooms at each parcel, bicycle parking, a large community room, outdoor lounge sitting with fire-pit, BBQ and outdoor dining area, a tot lot, and edible garden plots with a sitting area and a garden shed. The West parcel has approximately 30 private garages and 26 surface parking spaces while the East parcel has approximately 18 private garages and 17 surface parking spaces. The design consists of various three-story buildings with an overall height that will not exceed thirty (30) feet.

The Housing Project respects the single family residence nature of the surrounding neighborhood by creating smaller scale, two and three story, rowhouse type buildings that best utilize the long narrow sites and create a strong neighborhood identity along Baldwin Avenue. Smaller, single family looking, two story elements are used at each corner of Baldwin and Rose that relate even more to the adjacent homes along Rose Avenue. Though safety and security are prevalent in the design, the façade is friendly and inviting.

**ATTACHMENT NO. 6**

RECORDING REQUESTED BY: )  
AND WHEN RECORDED MAIL TO: )  
 )  
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\_\_\_\_\_)  
\_\_\_\_\_)  
\_\_\_\_\_)

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This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

**CERTIFICATE OF COMPLETION**

**THIS CERTIFICATE OF COMPLETION** (the “Certificate”) is hereby made as of \_\_\_\_\_, 201\_, by the **EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic (the “Authority”), in favor of \_\_\_\_\_ (the “Developer”).

***RECITALS***

A. The Authority and the Developer have entered into an Disposition and Development Agreement dated as of October 12, 2015 (the “Agreement”), which Agreement provides for the development of a Housing Project on certain real property situated in the City of El Monte, California, and more particularly described on Exhibit “A” attached hereto and made a part hereof by this reference (the “Development of the Housing Project”). As required in the Agreement, the Authority shall furnish the Developer with a Certificate of Completion upon completion of the Development of the Housing Project, which Certificate shall be in such form as to permit it to be recorded in the Los Angeles County Recorder’s Office.

B. The Authority has conclusively determined that the Development of the Housing Project required by the Agreement to be made to the Housing Project has been satisfactorily completed.

**NOW, THEREFORE**, the Authority hereto certifies as follows:

1. As provided in the Agreement, the Authority does hereby certify that the Development of the Housing Project has been fully and satisfactorily performed and completed in accordance with the Agreement.

2. After the recordation of this Certificate, any person or entity then owning or thereafter purchasing, or otherwise acquiring any interest in the Housing Project will not (because of such ownership, purchase, or acquisition) incur any obligation or liability under the Agreement, except that such party shall be bound by any and all of the covenants, conditions, and restrictions which survive such recordation.

3. This Certificate is not a notice of completion as referred to in Section 3093 of the California Civil Code.

4. The recitals above are incorporated in full as part of the substantive text of this Release.

**IN WITNESS WHEREOF**, the Authority has executed this Certificate as of the date set forth above.

**EL MONTE HOUSING AUTHORITY**, a  
public body, corporate and politic

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Authority Secretary

**APPROVED FOR RECORDING:**

\_\_\_\_\_  
\_\_\_\_\_

**Exhibit "A" to Certificate of Completion**

**LEGAL DESCRIPTION OF PROPERTY**



**ATTACHMENT NO. 7**

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

El Monte Housing Authority  
11333 Valley Boulevard  
El Monte, California 91731  
Attention: Executive Director

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This document is exempt from the payment of a recording fee pursuant to  
Government Code Section 27383

**AUTHORITY REGULATORY AGREEMENT**

**THIS REGULATORY AGREEMENT** (the “Agreement”) is entered into as of \_\_\_\_\_, 201\_\_, by and between the **EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic (the “Authority”), and \_\_\_\_\_ (the “Developer”).

***RECITALS***

A. Developer has acquired from the Authority certain real property located within the City of El Monte, as particularly described in the Legal Description attached hereto as Exhibit A, which is incorporated herein by reference (the “Site”).

B. Developer desires to construct a fifty-five (55) unit multifamily housing development on the Site (the “Housing Project”) and to make available and rent the apartment units within the Housing Project (the “Housing Units”) for Homeless Veterans and a preference for Veteran Heads of Households at an affordable rent.

C. Developer and Authority have entered into a Disposition and Development Agreement (the “DDA”) dated as of October 12, 2015. Subject to the terms and conditions therein, the Developer has agreed to acquire the Site and construct and operate the Housing Project, and the Developer has agreed to make available and lease twenty-two (22) (each an “Affordable Unit”) of the Housing Units at the Housing Project at an affordable rent to low income families and individuals earning between 30%-60% of the Area Median Income. The execution and recording of this Agreement is a requirement of the DDA.

**NOW, THEREFORE**, the parties hereto agree as follows:

**1. Number of Affordable Units.** Developer agrees to make available, restrict occupancy to, and twenty-two (22) of the Housing Units (each an “Affordable Unit”) an affordable rent to low income families and individuals earning between 30%-60% of the Area Median Income. One of the Housing Units may be occupied by the property management staff,

with no restrictions on rent or income.

**2. Duration of Affordability Requirements.** The Housing Units shall be subject to the requirements of this Agreement for fifty-five (55) years from the date of the City's issuance of a final certificate of occupancy for the Housing Project. The duration of this requirement shall be known as the "Affordability Period."

**3. Selection of Tenants; Restriction to Veterans.** Developer shall be responsible for the selection of tenants for the Housing Units in compliance with lawful and reasonable criteria. Developer shall prepare and obtain Authority's approval, which approval shall not be unreasonably withheld, of a program for marketing the Housing Units and the selection of tenants for the Housing Units (the "Marketing and Tenant Selection Program"). Developer's Marketing and Tenant Selection Program shall be aimed at Veterans, and shall include the placement of marketing materials in print and electronic publications oriented to Veteran readers and viewers. To the extent practicable and as permitted by applicable law and Housing Project financing requirements, Developer's Marketing and Tenant Selection Program shall provide a reasonable preference in its tenant selection process to persons who reside and work in the City however, such preference shall be secondary to the preference for Veterans and their families. The leasing of the Housing Units shall be marketed and tenants shall be selected in accordance with the approved Marketing and Tenant Selection Program, as the same may be amended from time to time with Authority's prior written approval, which approval shall not unreasonably be withheld. To the extent permitted under applicable law, Developer shall restrict occupancy of seventeen (17) Housing Units (the "Veteran Units") to households which include one or more Homeless Veterans. Tenant Selection of these 17 units will be done through the County's Coordinated Entry System. The remaining 37 units (the "Veteran Preference Units") shall have a preference for households which include at least one veteran. In the event that any Housing Unit has been vacant for more than thirty (30) days, and prior to that time Developer has not received a referral from CES for a Veteran Unit, or a rental application from a Veteran household which is a Very Low Income Household or Lower Income Household and meets Developer's tenant selection standards for a Veteran Preference Unit, then Developer may rent the vacant unit (and other units which subsequently become available) to a Very Low Income Household or Lower Income Household which does not include a Veteran, and the next available unit shall be a Veteran Unit or a Veteran Preference Unit, as applicable.

**4. Household Income Requirements.** Following the initial lease-up of the Housing Units, and annually thereafter, the Developer shall submit to Authority, at Developer's expense, a summary of the income, household size and rent payable by each of the tenants of the Housing Units. At the Authority's request, the Developer shall also provide to the Authority completed income computation and certification forms, in a form reasonably acceptable to the Authority, for any such tenant or tenants. Developer shall obtain a certification from each household leasing an Affordable Unit demonstrating that such household is a Very Low Income Household, Lower Income Household, or Low-or-Moderate Income Household, as applicable, and meets the eligibility requirements established for the Housing Unit. Developer shall verify the income certification of the household.

**5. Affordable Rent.** The maximum Monthly Rent chargeable for the Affordable Units shall be annually determined in accordance with the following requirements. The Monthly Rent for the Affordable Units to be rented to Very Low Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Los Angeles County Median Income for a family of a size appropriate to the unit. The Monthly Rent for the Affordable Units to be rented to Lower Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of Los Angeles County Median Income for a family of a size appropriate to the unit. The Monthly Rent for the Affordable Units to be rented to Low-or-Moderate Income Households shall not exceed one-twelfth (1/12) of thirty percent (30%) of one hundred ten percent (110%) of Los Angeles County Median Income for a family of a size appropriate to the unit.

Notwithstanding any other provisions of this Agreement, if Developer enters into a regulatory agreement as a requirement of receiving Low Income Housing Tax Credits, compliance with the rent requirements of such regulatory agreement shall constitute compliance with the rent requirements of this Agreement.

For purposes of this Agreement, “Monthly Rent” means the total of monthly payments for (a) use and occupancy of each Affordable Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) 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 Developer. In the event that all utility charges are paid by the landlord rather than the tenant, no utility allowance shall be deducted from the rent.

**6. Maintenance.** The Developer shall maintain or cause to be maintained the interior and exterior of the Housing Units and the Housing Project in a decent, safe and sanitary manner, and in accordance with the standard of maintenance of first class apartment units within Los Angeles County, California. None of the Housing Units in the Housing Project shall at any time be utilized on a transient basis, nor shall the Housing Project or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home. [EDITOR’S NOTE: TEXT TO BE AUGMENTED CONSISTENT WITH STANDARD CITY PLANNING COMMISSION DEVELOPMENT APPROVAL CONDITIONS]

**7. Social Services.** At all times during the Affordability Period, Developer shall provide activities and programs appropriate to the needs of the residents of the Housing Project, with the selection of such activities and programs to be determined by Developer in collaboration with the residents of the Housing Project. If the provider of such activities and programs is someone other than Developer, the identity of the provider shall be reasonably approved by Authority. If Developer proposes changing the identity of the provider at any time, Developer shall notify the Authority in writing of the identity of the proposed new provider, together with references and a description of the provider’s past experience in providing activities and

programs to similar housing and residents, and Authority shall reasonably approve such provider. The approved provider shall annually submit a plan of activities and programs for Authority's review and reasonable approval, and shall also annually submit to the Authority a report of the prior year's activities and programs, describing the number and type of activities and programs and the number of residents served by such activities and programs.

**8. Non Discrimination Covenants.** Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the Site on the basis of race, color, religion, sex, marital status, disability, source of income, sexual orientation, familial status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

**In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees,

subtenants, or vendees in the premises herein leased.”

**In contracts:** “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The covenants established in this Section 8 shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Authority and its successors and assigns, and shall remain in effect in perpetuity.

**9. Monitoring and Recordkeeping.** Throughout the Affordability Period, Developer shall annually complete and submit to Authority a certification of continuing program compliance in the form provided by the Authority. Representatives of the Authority shall be entitled to enter the Housing Project, upon at least forty-eight (48) hours notice, to monitor compliance with this Agreement, to inspect the records of the Housing Project, and to conduct an independent audit or inspection of such records. The Developer agrees to cooperate with the Authority in making the Housing Project available for such inspection or audit. Developer agrees to maintain records in businesslike manner, and to maintain such records for the term of this Agreement.

**10. Compliance With Laws and DDA.** The Developer shall carry out the acquisition, design, development and operation of the Housing Project in conformity with the DDA and all applicable laws, including all applicable state labor standards, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., Government Code Section 4450, et seq., Government Code Section 11135, et seq., and the Unruh Civil Rights Act, Civil Code Section 51, et seq.

**11. Duty to Prevent Hazardous Material Contamination.** During the development and operation of the Housing Project, the Developer shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Site. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. The Developer shall notify the Authority, and provide to the Authority a copy or copies, of any notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks, and the Developer shall report to the Authority, as soon as possible after each incident, any unusual, potentially important incidents in the event of a release of any Hazardous Materials into the environment.

For purposes of this Section 11, “Governmental Requirements” shall mean all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the City, or any other political subdivision in which the Housing Project is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the Authority, the Developer or the Housing Project.

For purposes of this Section 11, “Hazardous Materials” means any substance, material, or waste which is or becomes, regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law)), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether, (ix) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, Division 4, Chapter 20, (x) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (xi) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6901, et seq. (42 U.S.C. §6903) or (xii) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§9601, et seq. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities as are customarily used in the construction, maintenance, Rehabilitation or management of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Housing Project, including without limitation alcohol, aspirin, tobacco and saccharine.

**12. Successors and Assigns.** This Agreement shall run with the land, and all of the terms, covenants and conditions of this Agreement shall be binding upon the Developer and the Authority and the permitted successors and assigns of the Developer and the Authority. Whenever the term “Developer,” or “Authority” is used in this Agreement, such term shall include any other successors and assigns as herein provided.

**13. No Third Party Beneficiaries.** This Agreement is made and entered into for the sole protection and benefit of the Authority and its successors and assigns, and Developer and its successors and assigns, and no other person or persons shall have any right of action hereon.

**14. Partial Invalidity.** If any provision of this Agreement shall be declared invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions

hereof shall not in any way be affected or impaired.

**15. Governing Law.** This Agreement and the documents and other instruments given pursuant hereto shall be construed in accordance with and be governed by the laws of the State of California. Any references herein to particular statutes or regulations shall be deemed to refer to successor statutes or regulations, or amendments thereto.

**16. Amendment.** This Agreement may not be changed orally, but only by agreement in writing signed by Developer and the Authority.

**IN WITNESS WHEREOF,** the parties hereto have executed this Regulatory Agreement effective as of the date and year set forth above.

**DEVELOPER:**

\_\_\_\_\_

By: \_\_\_\_\_

**AUTHORITY:**

**EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Authority Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Authority Counsel

**Exhibit "A" to Regulatory Agreement**

**LEGAL DESCRIPTION OF PROPERTY**

**ATTACHMENT NO. 10**

**PROMISSORY NOTE  
(Development Project Loan)**

\$250,000

\_\_\_\_\_, 201\_

El Monte, California

**FOR VALUE RECEIVED,** \_\_\_\_\_ (the “Borrower”), promises to pay to the **EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic (the “Authority”), or order, at the Authority’s office at 11333 Valley Boulevard, El Monte, California 91731, or such other place as the Authority may designate in writing, the sum of Three Hundred Thousand Dollars (\$250,000) (the “Note Amount”), in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

**1. Agreement.** This Promissory Note (the “Note”) is given in accordance with that certain Disposition and Development Agreement executed by the Authority and Borrower, dated as of October 12, 2015 (the “Agreement”). The rights and obligations of the Borrower and the Authority under this Note shall be governed by the Agreement and by the additional terms set forth in this Note. In the event of any inconsistencies between the terms of this Note and the terms of the Agreement or any other document related to the Note Amount, the terms of this Note shall prevail.

**2. Interest.** The outstanding Note Amount shall bear simple interest at the rate of two percent (2%).

**3. Repayment of Note Amount.** The Note Amount shall be paid by the Borrower’s annual payment to the Authority of an amount equal to Fifty Percent (50%) of the Residual Receipts (as defined below) from operation of the Housing Project (as defined in the Agreement), as determined by a residual receipts calculation from the operation of the Housing Project the preceding calendar year. Annual Residual Receipts payments shall be made by the Borrower by cashier’s check and shall be delivered on or before ninety (90) days after the end of the Developer’s fiscal year, of each year during the term of this Note first following the date the Housing Project is placed in service, until the Note Amount and all unpaid interest thereon has been repaid in full. The Authority shall allocate Borrower’s Annual Residual Receipts payments first to this Development Project Loan Note, and then upon repayment in full of this Development Project Loan Note to the Development Project Mitigation Fee Loan Note (as those terms are defined in the Agreement). Notwithstanding the foregoing, Borrower shall not be required to make payments in excess of fifty percent (50%) of Residual Receipts for the combined repayment of such notes. Any remaining portion of the Note Amount shall be due and payable on the fifty-fifth (55<sup>th</sup>) anniversary of the date of this Note. Notwithstanding the foregoing, the full Note Amount may be accelerated as set forth in Section 12 hereof.

As used herein, “Annual Project Revenue” shall mean all gross income and all revenues of any kind from the Housing Project in a calendar year, including without limitation, Housing Project rents, Section 8 housing assistance payments, if any, late charges, vending machine income, and any other revenues of whatever kind or nature from the Housing Project, except that

interest on security deposits and required reserves shall not be considered Annual Project Revenue.

As used herein, “Debt Service” means regularly scheduled payments of principal and interest made in a calendar year pursuant to the financing approved pursuant to the Agreement which is obtained for the acquisition, development and ownership of the Housing Project, which is senior in lien priority to the Authority Loan, including without limitation general partner loans, but excluding payments made pursuant to this Note.

As used herein, “Deferred Developer Fees” shall mean any deferred developer fee allowable under the financing for the Housing Project.

As used herein, “Operating Expenses” shall mean actual, reasonable and customary (for comparable high quality rental housing developments in Los Angeles County) costs, fees and expenses directly incurred, paid, and attributable to the operation, maintenance and management of the Housing Project in a calendar year, including: painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certificates, permits and licenses, sewer charges, real and personal property taxes, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings which are not paid from the Capital Replacement Reserve, fees and expenses of property management, costs of resident services and programs, fees and expenses of accountants, attorneys and other professionals, and other actual, reasonable and customary operating costs and capital costs which are directly incurred and paid by the Borrower, but which are not paid from the Operating Reserve or other reserve accounts. The Operating Expenses shall not in any event include expenses not related to the Housing Project’s operations, including without limitation, depreciation, amortization, and accrued principal and interest expense on deferred payment debt.

As used herein, “Reserve Deposits” shall mean and payments to the Capital Replacement Reserve account and the Operating Reserve account.

As used herein, “Residual Receipts” shall mean Annual Project Revenue less the sum of (i) Operating Expenses, (ii) Debt Service, (iii) Reserve Deposits, (iv) Deferred Developer Fees, (v) a partnership management fee to the managing general partner of Developer, and/or a general partner asset management fee payable to one or more of the general partners of the Developer, and/or a limited partner asset management fee payable to one or more of the limited partners of Developer, and an annual audit fee, in such amounts which are reasonably approved by the Authority, for each calendar year; provided, however, that if such calculation results in a negative number, Residual Receipts shall be zero for that year.

On or before ninety (90) days after the end of each of the Developer’s fiscal years, commencing in the year following the issuance of a certificate of occupancy for the Housing Project, the Borrower shall annually provide the Authority a residual receipts report which shall describe in detail the Annual Project Revenue, Debt Service, Operating Expenses, Reserve Deposits, Asset Management Fees, Deferred Developer Fees, and Residual Receipts for that year. The Borrower shall also submit to the Authority, on or before ninety (90) days after the end of each of the Developer’s fiscal years, commencing in the year following the issuance of a

certificate of occupancy for the Housing Project, annual financial statements with respect to the Housing Project that have been reviewed by an independent certified public accountant, together with an expressed written opinion of the certified public accountant that such financial statements present the financial position, results of operations, and cash flows fairly and in accordance with generally accepted accounting principles.

**4. Security.** This Note is secured by a Deed of Trust (the “Deed of Trust”) dated as of the same date as this Note.

**5. Waivers**

**a.** Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time at the Authority’s sole discretion and that the Authority may accept security in consideration for any such extension or release any security for this Note at its sole discretion all without in any way affecting the liability of Borrower.

**b.** No extension of time for payment of this Note made by agreement by the Authority with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

**c.** The obligations of Borrower under this Note shall be absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

**d.** Borrower waives presentment, demand, notice of protest and nonpayment, notice of default or delinquency, notice of acceleration, notice of costs, expenses or leases or interest thereon, notice of dishonor, diligence in collection or in proceeding against any of the rights of interests in or to properties securing of this Note, and the benefit of any exemption under any homestead exemption laws, if applicable.

**e.** No previous waiver and no failure or delay by Authority in acting with respect to the terms of this Note or the Deed of Trust shall constitute a waiver of any breach, default, or failure or condition under this Note, the Deed of Trust or the obligations secured thereby. A waiver of any term of this Note, the Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

**6. Attorneys’ Fees and Costs.** Borrower agrees that if any amounts due under this Note are not paid when due, to pay in addition, all costs and expenses of collection and reasonable attorneys’ fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

**7. Joint and Several Obligation.** This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, successors and assigns.

**8. Amendments and Modifications.** This Note may not be changed orally, but

only by an amendment in writing signed by Borrower and by the Authority.

**9. Authority May Assign.** Authority may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Borrower.

**10. Borrower Assignment Prohibited.** In no event shall Borrower assign or transfer any portion of this Note without the prior express written consent of the Authority, which consent shall not unreasonably be withheld, except pursuant to a transfer which is permitted or approved under Section 705 of the Agreement.

**11. Terms.** Any terms not separately defined herein shall have the same meanings as set forth in the Agreement.

**12. Acceleration and Other Remedies.** Upon: (a) the occurrence of an Event of Default as defined in the Agreement, or (b) Borrower selling, contracting to sell, giving an option to purchase, conveying, leasing, further encumbering, mortgaging, assigning or alienating the Borrower's interest in the Housing Project (other than (i) financing approved by the Authority or otherwise permitted pursuant to the Agreement, (ii) leasing of individual Housing Units to tenants in the ordinary course of business, or (iii) a purchase option and/or right of first refusal granted to Borrower's general partner(s) or affiliates thereof), whether directly or indirectly, whether voluntarily or involuntarily or by operation of law, or any interest in the Housing Project, or suffering its title, or any interest in the Housing Project to be divested, whether voluntarily or involuntarily, without the consent of the Authority or as otherwise approved or permitted under the Disposition and Development Agreement, Authority may, at Authority's option, declare the outstanding principal amount of this Note, together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. Authority shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as such Authority may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of the Authority in exercising any right hereunder, under the Agreement or under the Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of Authority's right to either require prompt payment when due of all other sums payable hereunder or to declare an Event of Default for failure to make prompt or complete payment.

**13. Consents.** Borrower hereby consents to: (a) any renewal, extension or modification (whether one or more) of the terms of the Agreement or the terms or time of payment under this Note, (b) the release or surrender or exchange or substitution of all or any part of the security, whether real or personal, or direct or indirect, for the payment hereof, (c) the

granting of any other indulgences to Borrower, and (d) the taking or releasing of other or additional parties primarily or contingently liable hereunder. Any such renewal, extension, modification, release, surrender, exchange or substitution may be made without notice to Borrower or to any endorser, guarantor or surety hereof, and without affecting the liability of said parties hereunder.

**14. Successors and Assigns.** Whenever “Authority” is referred to in this Note, such reference shall be deemed to include the El Monte Housing Authority and its successors and assigns, including, without limitation, any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of Borrower, and on behalf of any makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of the Authority and Authority’s successors and assigns.

**15. Miscellaneous.** Time is of the essence hereof. This Note shall be governed by and construed under the laws of the State of California except to the extent Federal laws preempt the laws of the State of California. Borrower irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Los Angeles in connection with any legal action or proceeding arising out of or relating to this Note. Borrower also waives any objection regarding personal or in rem jurisdiction or venue.

**16. No Personal Liability.** In the event of any default under the terms of this Note or the Deed of Trust, the sole recourse of the Authority for any and all such defaults shall be by judicial foreclosure or by the exercise of the trustee’s power of sale, and Borrower and its partners shall not be personally liable for the payment of this Note or for the payment of any deficiency established after judicial foreclosure or trustee’s sale; provided, however, that the foregoing shall not in any way affect any rights the Authority may have (as a secured party or otherwise) hereunder or under the Agreement or Deed of Trust to recover directly from Borrower any amounts secured by the Deed of Trust, or any funds, damages or costs (including without limitation reasonable attorneys’ fees and costs) incurred by Authority as a result of fraud, misrepresentation or waste, and any costs and expenses incurred by the Authority in connection therewith (including without limitation reasonable attorneys’ fees and costs).

[EDITOR’S NOTE: DOCUMENT SUBJECT TO TECHNICAL EDITS TO CONFORM TO FINAL FORM OF LACDC FINANCING DOCUMENTS]

**BORROWER:**

By: \_\_\_\_\_

**ATTACHMENT NO. 11**

RECORDING REQUESTED BY, )  
AND WHEN RECORDED MAIL TO: )  
 )  
El Monte Housing Authority )  
11333 Valley Boulevard )  
El Monte, California 91731 )  
Attn: Executive Director )

This document is exempt from payment of a recording fee pursuant to Government Code Sections 27383 and 6103.

**DEED OF TRUST AND ASSIGNMENT OF RENTS  
(Development Project Loan)**

**THIS DEED OF TRUST AND ASSIGNMENT OF RENTS** is made as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and among \_\_\_\_\_ (“Trustor”), whose address is \_\_\_\_\_, \_\_\_\_\_ (“Trustee”) whose address is \_\_\_\_\_, and the **EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic (“Beneficiary”), whose address is 11333 Valley Boulevard, El Monte, California 91731.

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, the property located in the City of El Monte, County of Los Angeles, State of California, that is described in Exhibit A, attached hereto and by this reference incorporated herein (the “Property”);

TOGETHER WITH all rents, issues, profits, royalties, income and other benefits derived from the Property (collectively, the “rents”), provided that so long as Trustor is not in default hereunder, it shall be permitted to collect rents and operate the Property;

TOGETHER WITH all interests, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including, without limiting the generality of the foregoing, all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property, including, without limitation, all fixtures, attachments, appliances, furnishings, equipment and machinery (whether fixed or movable) and other articles (including, in each instance,

improvements, restorations, replacements, repairs, additions, accessions or substitutions thereto or therefor);

TOGETHER WITH all leasehold estate, right, title and interest of Trustor in and to all leases or subleases covering the Property or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

TOGETHER WITH all right, title and interest of Trustor in and to all options to purchase or lease the Property or any portion thereof or interest therein, and any greater estate in the Property owned or hereafter acquired;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Property;

TOGETHER WITH all the estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages;

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

**FOR THE PURPOSE OF SECURING:**

1. Repayment of that certain Development Project Loan Promissory Note in the principal sum of \$250,000 dated \_\_\_\_\_, 201\_\_ ("Promissory Note") in favor of Beneficiary.
2. Payment and performance of all covenants and obligations of Trustor under this Deed of Trust.

**ARTICLE I**

**DEFINITIONS**

1. The term "Expiration Date" means the date upon which the Promissory Note has been paid in full, and all other obligations the performance of which is secured by this Deed of Trust have been satisfied.
2. "Property" means the real property referred to in Exhibit A attached hereto.

3. “Security” means the Property and all appurtenant improvements.

## **ARTICLE II**

### **MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY; RELEASE UPON PAYMENT**

Section 2.1 Maintenance and Modification of the Property by Trustor. The Trustor agrees that at all times prior to the Expiration Date, the Trustor will, at the Trustor’s own expense, maintain and preserve the Property.

Section 2.2 Release of Security. Upon its receipt of the repayment of all amounts due under the Promissory Note, and all other obligations the performance of which is secured by this Deed of Trust have been satisfied, the Beneficiary shall, upon the request of the Trustor, deliver to the Trustor such instruments as are reasonably necessary to confirm the release of the Security from the lien of this Deed of Trust.

## **ARTICLE III**

### **REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE TRUSTOR**

Section 3.1 Defense of the Title. The Trustor covenants that it is lawfully seized and possessed of title in fee simple to the Property, that it has good right to sell, convey or otherwise transfer or encumber the same, and that the Trustor, for itself and its successors and assigns, warrants and will forever defend the right and title to the foregoing described and conveyed property unto the Beneficiary, its successors and assigns, against the claims of all persons whomsoever, excepting only encumbrances approved by the Beneficiary.

Section 3.2 Inspection of the Property. The Trustor covenants and agrees that at any and all reasonable times and upon reasonable notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Property.

## ARTICLE IV

### EVENTS OF DEFAULT AND REMEDIES

Section 4.1 Events of Default Defined. The occurrence of any failure of the Trustor to pay the Promissory Note or to otherwise perform an obligation the performance of which is secured by this Deed of Trust, and the continuation of such failure for a period of thirty (30) business days as to monetary obligations and sixty (60) business days as to non-monetary obligations (or such additional time as may be reasonably necessary provided that Trustor commences cure within such sixty (60) day period and thereafter diligently prosecutes such cure to completion), after written notice specifying such failure and requesting that it be remedied shall have been given to Trustor from the Beneficiary, shall be an “Event of Default” or a “Default” under this Deed of Trust.

Section 4.2 Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, then the entire indebtedness secured hereby shall, at the option of the Beneficiary, immediately become due and payable without notice or demand which are hereby expressly waived, and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 4.3 The Beneficiary’s Right to Enter and Take Possession. If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Property and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Property, or part thereof or interest therein, increase the income therefrom or protect the Security hereof and, with or without taking possession of the Property, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys’ fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof, as aforesaid, shall not cure or waive any Default or notice of Default hereunder or invalidate any act done in response to such Default or pursuant to such notice of Default and, notwithstanding the continuance in possession of the Property or the collection, receipt and application of rents, issues or profits, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, the Agreement or by law upon occurrence of any Event of Default, including the right to exercise the power of sale. Trustor requests that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to Trustor if at its address given herein;

(b) Commence an action to foreclose this Deed of Trust, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor’s interest in the property to be sold, which

notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of the County in which the Property is located; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to the Property, including any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

Section 4.4 Foreclosure By Power of Sale. Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust (and the deposit of which shall be deemed to constitute evidence that the amount of the Promissory Note is immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

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

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the Promissory Note; (ii) all other sums then secured hereby; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

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

Section 4.5 Receiver. If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under Security, and without regard to the then value of the Property or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment. Any such receiver or receivers shall have all the powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall

continue as such and exercise all such powers until the date of confirmation of sale of the Property, unless such receivership is sooner terminated.

Section 4.6 Remedies Cumulative. No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 4.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Default shall exhaust or impair any such right, power or remedy, or shall be construed to be a waiver of any such Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. No consent or waiver, expressed or implied, by the Beneficiary to or of any breach by the Trustor in the performance of the obligations hereunder shall be deemed or construed to be a consent to or waiver of obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, powers or remedies consequent on any breach or Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment of any sums secured hereby, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted herein, or in the Agreement, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements of this Deed of Trust or the Agreement, (v) consents to the filing of any map, plat or replat affecting the Security, (vi) consents to the granting of any easement or other right affecting the Security, or (vii) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in the event of any Default then made or of any subsequent Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Property, the Beneficiary, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Security (or a part thereof) or the indebtedness secured hereby, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the Trustor and without in any way releasing or discharging any liabilities, obligations or undertakings of the Trustor.

Section 4.8 Suits to Protect the Security. The Beneficiary shall have power (upon ninety (90) days notice to the Trustor) to (a) institute and maintain such suits and proceedings as

it may deem expedient to prevent any impairment of the Security (and the rights of the Beneficiary as secured by this Deed of Trust) by any acts which may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security and in the rents, issues, profits and revenues arising therefrom, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the security thereunder or be prejudicial to the interests of the Beneficiary.

Section 4.9 Trustee May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings for the entire amount due and payable by the Trustor under this Deed of Trust at the date of the institution of such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

## ARTICLE V

### MISCELLANEOUS

Section 5.1 Amendments. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

Section 5.2 Reconveyance by Trustee. Upon written request of Beneficiary stating that all sums and other obligations secured hereby have been paid or performed, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey to Trustor, or to the person or persons legally entitled thereto, without warranty, any portion of the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or person legally entitled thereto."

Section 5.3 Attorneys' Fees. In the event that any parties hereto resort to legal action in order to enforce the provisions of this Deed of Trust or defend such suit, the prevailing party shall be entitled to receive reimbursement from the non-prevailing party for all reasonable attorneys' fees and all other costs incurred in commencing or defending such suit.

Section 5.4 Notices. Whenever Beneficiary, Trustor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice, demand, request, or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by registered or certified mail, postage prepaid, return receipts requested, or by telegram, addressed to the address set forth in the first paragraph of this Deed of Trust. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such

change.

Section 5.5 Acceptance by Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

Section 5.6 Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 5.7 Invalidity of Certain Provisions. Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 5.8 No Merger. If title to the Property shall become vested in the Beneficiary, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger and, in such event, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary under this Deed of Trust. In addition, upon foreclosure under this Deed of Trust pursuant to the provisions hereof, any leases or subleases then existing and affecting all or any portion of the Security shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Beneficiary or any purchaser at any such foreclosure shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice of termination to such tenant or subtenant.

Section 5.9 Governing Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 5.10 Gender and Number. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 5.11 Nondisturbance Agreement. In the event of any foreclosure of this Deed of Trust or a transfer in lieu of foreclosure, Beneficiary or other transferee shall recognize and not disturb the possession, tenancy, leasehold estate and rights of all tenants and occupants of the Property or any portion thereof, and shall honor and abide by all of the terms, covenants and conditions of each lease for the remaining balance of the term or extension thereof with the same force and effect as if Beneficiary or such other transferee were the original lessor under the lease; provided, however, that the tenant is not in default under its lease and Beneficiary or such other transferee shall not be (a) liable for any damage, loss or expense arising from any act or omission of any prior lessor (including Trustor) under any lease, (b) subject to any offsets, abatements,

rent reductions or defenses which the tenant may be entitled to assert against any prior lessor (including Trustor) under any lease, or (c) liable or responsible for or with respect to the retention, application and/or return to the tenant of any security deposit paid to any prior lessor (including Trustor) under any lease, whether or not still held by any prior lessor (including Trustor), unless and until Beneficiary or such other transferee has actually received for its own account as lessor under the lease the full amount of such security deposit or a credit therefor. Each tenant and occupant of the Property shall, upon any foreclosure of this Deed of Trust or transfer in lieu of foreclosure, be bound to Beneficiary or such other transferee under all of the terms, covenants and conditions of the tenant's lease for the remaining balance of the term thereof or extension thereof, with the same force and effect as if Beneficiary or such other transferee were the original lessor under such lease, and the tenant shall attorn to Beneficiary or such other transferee as its lessor, such attornment to be effective and self-operative without the execution of any further instruments by either party, immediately upon the tenant's receipt of written notice from Beneficiary or such other transferee or from Trustor that title to the Property has vested in Beneficiary or such other transferee. Rent paid by a tenant or occupant to the transferee after receipt of such notice shall be considered to be rental payment under the lease.

Section 5.12. No Personal Liability. In the event of any default under the terms of this Deed of Trust, the sole recourse of the Beneficiary for any and all such defaults shall be by judicial foreclosure or by the exercise of the trustee's power of sale, and Trustor and its partners shall not be personally liable for the payment of the Promissory Note or for the payment of any deficiency established after judicial foreclosure or trustee's sale; provided, however, that the foregoing shall not in any way affect any rights the Beneficiary may have (as a secured party or otherwise) hereunder or under this Deed of Trust to recover directly from Trustor any amounts secured by this Deed of Trust, or any funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by Beneficiary as a result of fraud, misrepresentation or waste, and any costs and expenses incurred by the Beneficiary in connection therewith (including without limitation reasonable attorneys' fees and costs).

**IN WITNESS WHEREOF**, Trustor has executed this Deed of Trust as of the day and year first above written.

**TRUSTOR:**

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A TO DEVELOPMENT PROJECT LOAN DEED OF TRUST**  
**LEGAL DESCRIPTION OF PROPERTY**

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public,  
(Print Name of Notary Public)

personally appeared \_\_\_\_\_

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

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

**CAPACITY CLAIMED BY SIGNER**

**DESCRIPTION OF ATTACHED DOCUMENT**

- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

\_\_\_\_\_  
Title Or Type Of Document

- Partner(s)       Limited
- General

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: \_\_\_\_\_

\_\_\_\_\_  
Number Of Pages

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
Date Of Documents

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signer(s) Other Than Named Above

ATTACHMENT NO. 12

**PROMISSORY NOTE  
(Development Project Mitigation Fee Loan)**

[Not to Exceed}

\$500,000

\_\_\_\_\_, 201\_

El Monte, California

**FOR VALUE RECEIVED,** \_\_\_\_\_ (the “Borrower”), promises to pay to the **EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic (the “Authority”), or order, at the Authority’s office at 11333 Valley Boulevard, El Monte, California 91731, or such other place as the Authority may designate in writing, the sum [not to exceed] of Three Hundred Fifty Thousand Dollars (\$500,000) (the “Note Amount”), in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

**1. Agreement.** This Promissory Note (the “Note”) is given in accordance with that certain Disposition and Development Agreement executed by the Authority and Borrower, dated as of October 12, 2015 (the “Agreement”). The rights and obligations of the Borrower and the Authority under this Note shall be governed by the Agreement and by the additional terms set forth in this Note. In the event of any inconsistencies between the terms of this Note and the terms of the Agreement or any other document related to the Note Amount, the terms of this Note shall prevail.

**2. Interest.** The Note Amount shall bear simple interest at a rate of two percent (2%).

**3. Repayment of Note Amount.** The Note Amount shall be paid by the Borrower’s annual payment to the Authority of an amount equal to Fifty Percent (50%) of the Residual Receipts (as defined below) from operation of the Housing Project (as defined in the Agreement), as determined by a residual receipts calculation from the operation of the Housing Project the preceding calendar year. Annual Residual Receipts payments shall be made by the Borrower by cashier’s check and shall be delivered on or before ninety (90) days after the end of the Developer’s fiscal year, of each year during the term of this Note first following the date the Housing Project is placed in service, until the Note Amount and all unpaid interest thereon has been repaid in full. The Authority shall allocate Borrower’s Annual Residual Receipts payments first to the Development Project Loan Note, and then upon repayment in full of the Development Project Loan Note to this Development Project Mitigation Fee Loan Note (as those terms are defined in the Agreement). Notwithstanding the foregoing, Borrower shall not be required to make payments in excess of fifty percent (50%) of Residual Receipts for the combined repayment of such notes. Any remaining portion of the Note Amount shall be due and payable on the fifty-fifth (55<sup>th</sup>) anniversary of the date of this Note. Notwithstanding the foregoing, the full Note Amount may be accelerated as set forth in Section 12 hereof.

As used herein, “Annual Project Revenue” shall mean all gross income and all revenues of any kind from the Housing Project in a calendar year, including without limitation, Housing

Project rents, Section 8 housing assistance payments, if any, late charges, vending machine income, and any other revenues of whatever kind or nature from the Housing Project, except that interest on security deposits and required reserves shall not be considered Annual Project Revenue.

As used herein, “Debt Service” means regularly scheduled payments of principal and interest made in a calendar year pursuant to the financing approved pursuant to the Agreement which is obtained for the acquisition and ownership of the Housing Project, which is senior in lien priority to the Authority Loan, including without limitation general partner loans, but excluding payments made pursuant to this Note.

As used herein, “Deferred Developer Fees” shall mean any deferred developer fee allowable under the financing for the Housing Project.

As used herein, “Operating Expenses” shall mean actual, reasonable and customary (for comparable high quality rental housing developments in Los Angeles County) costs, fees and expenses directly incurred, paid, and attributable to the operation, maintenance and management of the Housing Project in a calendar year, including: painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certificates, permits and licenses, sewer charges, real and personal property taxes, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings which are not paid from the Capital Replacement Reserve, fees and expenses of property management, costs of resident services and programs, fees and expenses of accountants, attorneys and other professionals, and other actual, reasonable and customary operating costs and capital costs which are directly incurred and paid by the Borrower, but which are not paid from the Operating Reserve or other reserve accounts. The Operating Expenses shall not in any event include expenses not related to the Housing Project’s operations, including without limitation, depreciation, amortization, and accrued principal and interest expense on deferred payment debt.

As used herein, “Reserve Deposits” shall mean and payments to the Capital Replacement Reserve account and the Operating Reserve account.

As used herein, “Residual Receipts” shall mean Annual Project Revenue less the sum of (i) Operating Expenses, (ii) Debt Service, (iii) Reserve Deposits, (iv) Deferred Developer Fees, (v) a partnership management fee to the managing general partner of Developer, and/or a general partner asset management fee payable to one or more of the general partners of the Developer, and/or a limited partner asset management fee payable to one or more of the limited partners of Developer, and an annual audit fee, in such amounts which are reasonably approved by the Authority, for each calendar year; provided, however, that if such calculation results in a negative number, Residual Receipts shall be zero for that year.

On or before ninety (90) days after the end of the Developer’s fiscal year, of each year commencing in the year of the issuance of a certificate of occupancy for the Housing Project, the Borrower shall annually provide the Authority a residual receipts report which shall describe in detail the Annual Project Revenue, Debt Service, Operating Expenses, Reserve Deposits, Asset Management Fees, Deferred Developer Fees, and Residual Receipts for that year. The Borrower

shall also submit to the Authority, on or before ninety (90) days after the end of the Developer's fiscal year, of each year commencing in the year of the issuance of a certificate of occupancy for the Housing Project, annual financial statements with respect to the Housing Project that have been reviewed by an independent certified public accountant, together with an expressed written opinion of the certified public accountant that such financial statements present the financial position, results of operations, and cash flows fairly and in accordance with generally accepted accounting principles.

**4. Security.** This Note is secured by a Deed of Trust (the "Deed of Trust") dated as of the same date as this Note.

**5. Waivers**

**a.** Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time at the Authority's sole discretion and that the Authority may accept security in consideration for any such extension or release any security for this Note at its sole discretion all without in any way affecting the liability of Borrower.

**b.** No extension of time for payment of this Note made by agreement by the Authority with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

**c.** The obligations of Borrower under this Note shall be absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

**d.** Borrower waives presentment, demand, notice of protest and nonpayment, notice of default or delinquency, notice of acceleration, notice of costs, expenses or leases or interest thereon, notice of dishonor, diligence in collection or in proceeding against any of the rights of interests in or to properties securing of this Note, and the benefit of any exemption under any homestead exemption laws, if applicable.

**e.** No previous waiver and no failure or delay by Authority in acting with respect to the terms of this Note or the Deed of Trust shall constitute a waiver of any breach, default, or failure or condition under this Note, the Deed of Trust or the obligations secured thereby. A waiver of any term of this Note, the Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

**6. Attorneys' Fees and Costs.** Borrower agrees that if any amounts due under this Note are not paid when due, to pay in addition, all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

**7. Joint and Several Obligation.** This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, successors and assigns.

**8. Amendments and Modifications.** This Note may not be changed orally, but only by an amendment in writing signed by Borrower and by the Authority.

**9. Authority May Assign.** Authority may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Borrower.

**10. Borrower Assignment Prohibited.** In no event shall Borrower assign or transfer any portion of this Note without the prior express written consent of the Authority, which consent shall not unreasonably be withheld, except pursuant to a transfer which is permitted or approved under Section 705 of the Agreement.

**11. Terms.** Any terms not separately defined herein shall have the same meanings as set forth in the Agreement.

**12. Acceleration and Other Remedies.** Upon: (a) the occurrence of an Event of Default as defined in the Agreement, or (b) Borrower selling, contracting to sell, giving an option to purchase, conveying, leasing, further encumbering, mortgaging, assigning or alienating the Borrower's interest in the Housing Project (other than (i) financing approved by the Authority or otherwise permitted pursuant to the Agreement, (ii) leasing of individual Housing Units to tenants in the ordinary course of business, or (iii) a purchase option and/or right of first refusal granted to Borrower's general partner(s) or affiliates thereof), whether directly or indirectly, whether voluntarily or involuntarily or by operation of law, or any interest in the Housing Project, or suffering its title, or any interest in the Housing Project to be divested, whether voluntarily or involuntarily, without the consent of the Authority or as otherwise approved or permitted under the Disposition and Development Agreement, Authority may, at Authority's option, declare the outstanding principal amount of this Note, together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. Authority shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as such Authority may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of the Authority in exercising any right hereunder, under the Agreement or under the Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of Authority's right to either require prompt payment when due of all other sums payable hereunder or to declare an Event of Default for failure to make prompt or complete payment.

**13. Consents.** Borrower hereby consents to: (a) any renewal, extension or modification (whether one or more) of the terms of the Agreement or the terms or time of payment under this Note, (b) the release or surrender or exchange or substitution of all or any

part of the security, whether real or personal, or direct or indirect, for the payment hereof, (c) the granting of any other indulgences to Borrower, and (d) the taking or releasing of other or additional parties primarily or contingently liable hereunder. Any such renewal, extension, modification, release, surrender, exchange or substitution may be made without notice to Borrower or to any endorser, guarantor or surety hereof, and without affecting the liability of said parties hereunder.

**14. Successors and Assigns.** Whenever “Authority” is referred to in this Note, such reference shall be deemed to include the El Monte Housing Authority and its successors and assigns, including, without limitation, any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of Borrower, and on behalf of any makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of the Authority and Authority’s successors and assigns.

**15. Miscellaneous.** Time is of the essence hereof. This Note shall be governed by and construed under the laws of the State of California except to the extent Federal laws preempt the laws of the State of California. Borrower irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Los Angeles in connection with any legal action or proceeding arising out of or relating to this Note. Borrower also waives any objection regarding personal or in rem jurisdiction or venue.

**16. No Personal Liability.** In the event of any default under the terms of this Note or the Deed of Trust, the sole recourse of the Authority for any and all such defaults shall be by judicial foreclosure or by the exercise of the trustee’s power of sale, and Borrower and its partners shall not be personally liable for the payment of this Note or for the payment of any deficiency established after judicial foreclosure or trustee’s sale; provided, however, that the foregoing shall not in any way affect any rights the Authority may have (as a secured party or otherwise) hereunder or under the Agreement or Deed of Trust to recover directly from Borrower any amounts secured by the Deed of Trust, or any funds, damages or costs (including without limitation reasonable attorneys’ fees and costs) incurred by Authority as a result of fraud, misrepresentation or waste, and any costs and expenses incurred by the Authority in connection therewith (including without limitation reasonable attorneys’ fees and costs).

[EDITOR’S NOTE: DOCUMENT SUBJECT TO TECHNICAL EDITS TO CONFORM TO FINAL FORM OF LACDC FINANCING DOCUMENTS]

**BORROWER:**

By: \_\_\_\_\_

**ATTACHMENT NO. 12**

RECORDING REQUESTED BY, )  
AND WHEN RECORDED MAIL TO: )  
 )  
El Monte Housing Authority )  
11333 Valley Boulevard )  
El Monte, California 91731 )  
Attn: Executive Director )

This document is exempt from payment of a recording fee pursuant to Government Code Sections 27383 and 6103.

**DEED OF TRUST AND ASSIGNMENT OF RENTS  
(Development Project Mitigated Fees Loan)**

**THIS DEED OF TRUST AND ASSIGNMENT OF RENTS** is made as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and among \_\_\_\_\_ (“Trustor”), whose address is \_\_\_\_\_, \_\_\_\_\_ (“Trustee”) whose address is \_\_\_\_\_, and the **EL MONTE HOUSING AUTHORITY**, a public body, corporate and politic (“Beneficiary”), whose address is 11333 Valley Boulevard, El Monte, California 91731.

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, the property located in the City of El Monte, County of Los Angeles, State of California, that is described in Exhibit A, attached hereto and by this reference incorporated herein (the “Property”);

TOGETHER WITH all rents, issues, profits, royalties, income and other benefits derived from the Property (collectively, the “rents”), provided that so long as Trustor is not in default hereunder, it shall be permitted to collect rents and operate the Property;

TOGETHER WITH all interests, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including, without limiting the generality of the foregoing, all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property, including, without limitation, all fixtures, attachments, appliances, furnishings, equipment and machinery (whether fixed or movable) and other articles (including, in each instance,

improvements, restorations, replacements, repairs, additions, accessions or substitutions thereto or therefor);

TOGETHER WITH all leasehold estate, right, title and interest of Trustor in and to all leases or subleases covering the Property or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

TOGETHER WITH all right, title and interest of Trustor in and to all options to purchase or lease the Property or any portion thereof or interest therein, and any greater estate in the Property owned or hereafter acquired;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Property;

TOGETHER WITH all the estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages;

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

**FOR THE PURPOSE OF SECURING:**

1. Repayment of that certain Special Development Loan Promissory Note in the principal sum [not to exceed] \$500,000 dated \_\_\_\_\_, 201\_\_ ("Promissory Note") in favor of Beneficiary.
2. Payment and performance of all covenants and obligations of Trustor under this Deed of Trust.

**ARTICLE I**

**DEFINITIONS**

1. The term "Expiration Date" means the date upon which the Promissory Note has been paid in full, and all other obligations the performance of which is secured by this Deed of Trust have been satisfied.
2. "Property" means the real property referred to in Exhibit A attached hereto.

3. “Security” means the Property and all appurtenant improvements.

## **ARTICLE II**

### **MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY; RELEASE UPON PAYMENT**

Section 2.1 Maintenance and Modification of the Property by Trustor. The Trustor agrees that at all times prior to the Expiration Date, the Trustor will, at the Trustor’s own expense, maintain and preserve the Property.

Section 2.2 Release of Security. Upon its receipt of the repayment of all amounts due under the Promissory Note, and all other obligations the performance of which is secured by this Deed of Trust have been satisfied, the Beneficiary shall, upon the request of the Trustor, deliver to the Trustor such instruments as are reasonably necessary to confirm the release of the Security from the lien of this Deed of Trust.

## **ARTICLE III**

### **REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE TRUSTOR**

Section 3.1 Defense of the Title. The Trustor covenants that it is lawfully seized and possessed of title in fee simple to the Property, that it has good right to sell, convey or otherwise transfer or encumber the same, and that the Trustor, for itself and its successors and assigns, warrants and will forever defend the right and title to the foregoing described and conveyed property unto the Beneficiary, its successors and assigns, against the claims of all persons whomsoever, excepting only encumbrances approved by the Beneficiary.

Section 3.2 Inspection of the Property. The Trustor covenants and agrees that at any and all reasonable times and upon reasonable notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Property.

## **ARTICLE IV**

### **EVENTS OF DEFAULT AND REMEDIES**

Section 4.1 Events of Default Defined. The occurrence of any failure of the Trustor to pay the Promissory Note or to otherwise perform an obligation the performance of which is secured by this Deed of Trust, and the continuation of such failure for a period of thirty (30) business days as to monetary obligations and sixty (60) business days as to non-monetary obligations (or such additional time as may be reasonably necessary provided that Trustor commences cure within such sixty (60) day period and thereafter diligently prosecutes such cure to completion), after written notice specifying such failure and requesting that it be remedied shall have been given to Trustor from the Beneficiary, shall be an “Event of Default” or a “Default” under this Deed of Trust.

Section 4.2 Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, then the entire indebtedness secured hereby shall, at the option of the Beneficiary, immediately become due and payable without notice or demand which are hereby expressly waived, and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 4.3 The Beneficiary's Right to Enter and Take Possession. If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Property and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Property, or part thereof or interest therein, increase the income therefrom or protect the Security hereof and, with or without taking possession of the Property, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof, as aforesaid, shall not cure or waive any Default or notice of Default hereunder or invalidate any act done in response to such Default or pursuant to such notice of Default and, notwithstanding the continuance in possession of the Property or the collection, receipt and application of rents, issues or profits, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, the Agreement or by law upon occurrence of any Event of Default, including the right to exercise the power of sale. Trustor requests that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to Trustor if at its address given herein;

(b) Commence an action to foreclose this Deed of Trust, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the property to be sold, which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of the County in which the Property is located; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to the Property, including any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

Section 4.4 Foreclosure By Power of Sale. Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust (and the deposit of which shall be deemed to constitute evidence that the amount of the Promissory Note is immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

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

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the Promissory Note; (ii) all other sums then secured hereby; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

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

Section 4.5 Receiver. If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under Security, and without regard to the then value of the Property or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment. Any such receiver or receivers shall have all the powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Property, unless such receivership is sooner terminated.

Section 4.6 Remedies Cumulative. No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 4.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Default shall exhaust or impair any such right, power or remedy, or shall be construed to be a waiver of any such Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as

often as may be deemed expeditious by the Beneficiary. No consent or waiver, expressed or implied, by the Beneficiary to or of any breach by the Trustor in the performance of the obligations hereunder shall be deemed or construed to be a consent to or waiver of obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, powers or remedies consequent on any breach or Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment of any sums secured hereby, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted herein, or in the Agreement, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements of this Deed of Trust or the Agreement, (v) consents to the filing of any map, plat or replat affecting the Security, (vi) consents to the granting of any easement or other right affecting the Security, or (vii) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in the event of any Default then made or of any subsequent Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Property, the Beneficiary, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Security (or a part thereof) or the indebtedness secured hereby, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the Trustor and without in any way releasing or discharging any liabilities, obligations or undertakings of the Trustor.

Section 4.8 Suits to Protect the Security. The Beneficiary shall have power (upon ninety (90) days notice to the Trustor) to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security (and the rights of the Beneficiary as secured by this Deed of Trust) by any acts which may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security and in the rents, issues, profits and revenues arising therefrom, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the security thereunder or be prejudicial to the interests of the Beneficiary.

Section 4.9 Trustee May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings for the entire amount due and payable by the Trustor under this Deed of Trust at the date of the

institution of such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

## ARTICLE V

### MISCELLANEOUS

Section 5.1 Amendments. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

Section 5.2 Reconveyance by Trustee. Upon written request of Beneficiary stating that all sums and other obligations secured hereby have been paid or performed, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey to Trustor, or to the person or persons legally entitled thereto, without warranty, any portion of the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or person legally entitled thereto."

Section 5.3 Attorneys' Fees. In the event that any parties hereto resort to legal action in order to enforce the provisions of this Deed of Trust or defend such suit, the prevailing party shall be entitled to receive reimbursement from the non-prevailing party for all reasonable attorneys' fees and all other costs incurred in commencing or defending such suit.

Section 5.4 Notices. Whenever Beneficiary, Trustor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice, demand, request, or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by registered or certified mail, postage prepaid, return receipts requested, or by telegram, addressed to the address set forth in the first paragraph of this Deed of Trust. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

Section 5.5 Acceptance by Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

Section 5.6 Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 5.7 Invalidity of Certain Provisions. Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be

considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 5.8 No Merger. If title to the Property shall become vested in the Beneficiary, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger and, in such event, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary under this Deed of Trust. In addition, upon foreclosure under this Deed of Trust pursuant to the provisions hereof, any leases or subleases then existing and affecting all or any portion of the Security shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Beneficiary or any purchaser at any such foreclosure shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice of termination to such tenant or subtenant.

Section 5.9 Governing Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 5.10 Gender and Number. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 5.11 Nondisturbance Agreement. In the event of any foreclosure of this Deed of Trust or a transfer in lieu of foreclosure, Beneficiary or other transferee shall recognize and not disturb the possession, tenancy, leasehold estate and rights of all tenants and occupants of the Property or any portion thereof, and shall honor and abide by all of the terms, covenants and conditions of each lease for the remaining balance of the term or extension thereof with the same force and effect as if Beneficiary or such other transferee were the original lessor under the lease; provided, however, that the tenant is not in default under its lease and Beneficiary or such other transferee shall not be (a) liable for any damage, loss or expense arising from any act or omission of any prior lessor (including Trustor) under any lease, (b) subject to any offsets, abatements, rent reductions or defenses which the tenant may be entitled to assert against any prior lessor (including Trustor) under any lease, or (c) liable or responsible for or with respect to the retention, application and/or return to the tenant of any security deposit paid to any prior lessor (including Trustor) under any lease, whether or not still held by any prior lessor (including Trustor), unless and until Beneficiary or such other transferee has actually received for its own account as lessor under the lease the full amount of such security deposit or a credit therefor. Each tenant and occupant of the Property shall, upon any foreclosure of this Deed of Trust or transfer in lieu of foreclosure, be bound to Beneficiary or such other transferee under all of the terms, covenants and conditions of the tenant's lease for the remaining balance of the term thereof or extension thereof, with the same force and effect as if Beneficiary or such other transferee were the original lessor under such lease, and the tenant shall attorn to Beneficiary or such other transferee as its lessor, such attornment to be effective and self-operative without the execution of any further instruments by either party, immediately upon the tenant's receipt of written notice from Beneficiary or such other transferee or from Trustor that title to the Property has vested in Beneficiary or such other transferee. Rent paid by a tenant or occupant to the transferee after receipt of such notice shall be considered to be rental payment under the lease.

Section 5.12. No Personal Liability. In the event of any default under the terms of this Deed of Trust, the sole recourse of the Beneficiary for any and all such defaults shall be by judicial foreclosure or by the exercise of the trustee's power of sale, and Trustor and its partners shall not be personally liable for the payment of the Promissory Note or for the payment of any deficiency established after judicial foreclosure or trustee's sale; provided, however, that the foregoing shall not in any way affect any rights the Beneficiary may have (as a secured party or otherwise) hereunder or under this Deed of Trust to recover directly from Trustor any amounts secured by this Deed of Trust, or any funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by Beneficiary as a result of fraud, misrepresentation or waste, and any costs and expenses incurred by the Beneficiary in connection therewith (including without limitation reasonable attorneys' fees and costs).

**IN WITNESS WHEREOF**, Trustor has executed this Deed of Trust as of the day and year first above written.

**TRUSTOR:**

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**

ATTACHMENT NO. 13-10

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public,  
(Print Name of Notary Public)  
personally appeared \_\_\_\_\_

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

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

### OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

#### CAPACITY CLAIMED BY SIGNER

#### DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

\_\_\_\_\_  
Title Or Type Of Document

- Partner(s)       Limited
- General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: \_\_\_\_\_

\_\_\_\_\_  
Number Of Pages

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
Date Of Documents

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signer(s) Other Than Named Above

**ATTACHMENT 6  
HOUSING AUTHORITY RESOLUTION**

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY  
APPROVING THE 2015 EL MONTE HOUSING AUTHORITY  
DISPOSITION AND DEVELOPMENT AGREEMENT BY AND  
BETWEEN THE EL MONTE HOUSING AUTHORITY AND  
MERCY HOUSING CALIFORNIA (MERCY HOUSING  
VETERANS FAMILY HOUSING PROJECT)

WHEREAS, the Mercy Housing California (the “Developer”) has submitted a proposal to the El Monte Housing Authority (the “Housing Authority”) to acquire and develop a Veterans family affordable rental housing community improvement project which is focused on providing workforce and supportive housing services to American Veterans including Veterans who may have been recently homeless; and

WHEREAS, the Housing Authority proposes to assist the Developer to undertake a transformative affordable rental project to address the special housing needs of Veterans and this effort is referred to as the “Mercy Housing California Veterans Family Housing Project” and the Housing Authority has previously entered into an agreement with the Developer entitled “2015 El Monte Housing Authority Memorandum of Understanding and Exclusive Negotiating Agreement,” dated as of May 1, 2015 (the “2015 Housing Authority MOU”); and

WHEREAS, the City Council of the City of El Monte (the “City”) has previously adopted its City Council Resolution No. 9260, dated October 14, 2015, entitled:

“RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE APPROVING THE 2015 AFFORDABLE RENTAL HOUSING DEVELOPMENT CORPORATION AND FINANCING AGREEMENT BY AND BETWEEN THE EL MONTE HOUSING AUTHORITY AND THE CITY OF EL MONTE (MERCY HOUSING CALIFORNIA: BALDWIN-ROSE VETERANS FAMILY HOUSING COMMUNITY DEVELOPMENT INITIATIVE PROJECT);” and

WHEREAS, the Housing Authority has previously adopted its Housing Authority Resolution No. 13, dated October 14, 2015, entitled:

“RESOLUTION OF THE EL MONTE HOUSING AUTHORITY APPROVING AN AGREEMENT FOR PURCHASE AND SALE OF CERTAIN PROPERTY WITH THE ALAMEDA CORRIDOR EAST CONSTRUCTION AUTHORITY AND APPROVING THE 2015 AFFORDABLE RENTAL HOUSING DEVELOPMENT CORPORATION AND FINANCING AGREEMENT BY AND BETWEEN THE EL MONTE HOUSING AUTHORITY AND THE CITY OF EL MONTE AND AUTHORIZING CERTAIN OTHER ACTIONS (MERCY HOUSING CALIFORNIA: BALDWIN-ROSE VETERANS FAMILY HOUSING COMMUNITY DEVELOPMENT INITIATIVE PROJECT),” and

WHEREAS, the Housing Authority has previously entered into an agreement dated as of September 28, 2015 (the “ACE Purchase Agreement”) with the Alameda Corridor East Construction Authority, a joint powers authority (“ACE”), to acquire certain real property (the “Site”) located at the northwest corner of the intersection of Baldwin Avenue and Rose Avenue and the northeast corner of the intersection of Baldwin Avenue and Rose Avenue, El Monte, in support of the Mercy Housing California Veterans Family Housing Project (the “Housing Project”); and

WHEREAS, in accordance with the direction set forth in Section 5 of the 2015 Housing Authority MOU, the staff of the Housing Authority have prepared a proposed agreement for the development of the Mercy Housing California Veterans Family Housing Project in the form as presented to the Housing Authority at the meeting when this Resolution has been adopted entitled “2015 El Monte Housing Authority Disposition and Development Agreement (Mercy Housing Family Veterans Affordable Rental Housing Project)” dated as of October 14, 2015 (the “2015 Housing Authority DDA”); and

WHEREAS, subject to the proposed terms and conditions of the 2015 Housing Authority DDA, the Housing Authority desires to convey the Site to the Developer, at the same purchase price that the Housing Authority is paying to ACE for the Site under the terms of the ACE Purchase Agreement, and the Housing Authority seeks to provide certain other financial assistance to the Developer in the form of the “Authority Financial Assistance” as set forth in the 2015 Housing Authority DDA; and

WHEREAS, the Developer desires to acquire the Site from the Housing Authority, and to use the proceeds of the Authority Financial Assistance, together with other Developer funds, including the monies to be obtained by the Developer from the Community Development Commission of Los Angeles County (“LACDC”), to construct and operate an approximately fifty-five (55) unit affordable multifamily rental housing development on the Site (the “Housing Project”), and the Housing Project shall be reserved for occupancy by qualifying Veterans and their families and twenty-seven (27) of the housing units in the Housing Project shall be specifically reserved for occupancy by Veterans and their families whose annual household income is very low income and lower income at an affordable rent for the “Affordability Period,” as this term is defined in the 2015 Housing Authority DDA; and

WHEREAS, the acquisition of the Site from ACE by the Housing Authority, and conveyance of the Site to the Developer, the provision of the Authority Financial Assistance, and the development and operation of the Housing Project thereon pursuant to the 2015 Housing Authority DDA, is in the vital and best interest of the City of El Monte and the health, safety and welfare of its residents, and is in accord with the public purposes and provisions of applicable state and local laws and requirements; and

WHEREAS, the 2015 Housing Authority DDA contains, without limitation, the following provisions:

- 1-1 the Housing Authority shall acquire the Site from ACE pursuant to the terms of the ACE Purchase Agreement for the sum of \$2,660,000, payable by the Housing

Authority to ACE in cash which the Housing Authority shall obtain from the Developer;

- 1-2 concurrently with the acquisition of the Site, the Housing Authority shall transfer title of the Site to the Developer for the sum of \$2,660,000 for the purpose of the Developer undertaking the development and cooperation of the Housing Project on the Site and the Housing Authority shall also provide the Developer with the Authority Financial Assistance in support of the Housing Project, as a series of affordable rental housing assistance loans which are each repayable by the Developer to the Housing Authority from a portion for the rental income of the Housing Project referenced to in the 2015 Housing Authority DDA as “Residual Receipts”;
- 1-3 the Authority Financial Assistance has the following elements:
  - (i) the Development Project Loan: \$250,000 (See: Section 405 of the 2015 Housing Authority DDA);
  - (ii) the Development Project Mitigation Fee Loan: \$500,000 (See: Section 407 of the 2015 Housing Authority DDA); and
  - (iii) the “Land Cost Donation” of the Authority to the Developer which is the difference between the Purchase Price payable by the Developer to the Authority and the fair market value of the Site as confirmed by an appraisal of the value of the Site.
- 1-4 the Developer shall repay the Housing Authority the aggregate amount of the Authority Financial Assistance at 2% interest per annum from a portion of the Residual Receipts of the Housing Project during the term of the “Affordability Period” of the Housing Project;
- 1-5 the Developer shall undertake the acquisition, financing, construction and operation of the Housing Project as an affordable rental housing development reserved for occupancy at affordable rents during the Affordability Period (55 years) for Veterans, all as provided in the 2015 Housing Authority DDA; and

NOW, THEREFORE, THE GOVERNING BOARD OF THE EL MONTE HOUSING AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

SECTION 1. The information set forth in the recital paragraphs of this Resolution is true and correct.

SECTION 2. The Housing Authority has previously considered the staff presentations and the information submittals of Mercy Housing California regarding the Housing Project, including without limitation the presentations previously made to the Housing Authority on

March 17, 2015, June 16, 2015, October 4, 2015 and October 14, 2015. The Housing Authority has also published notice of public hearing and has received testimony from interested persons at the public hearing conducted by the Housing Authority on the Housing Project on December 8, 2015, and a record of all such testimony regarding the Housing Project is on file with the Secretary of the Housing Authority.

SECTION 3. The Housing Authority hereby acknowledges receipt of the written staff report dated December 8, 2015 and the Housing Project Development Proforma for the Housing Project as presented at the public hearing of the Housing Authority at which this Resolution was adopted. Based upon the information as presented to the Housing Authority, the Housing Authority hereby finds and determines that the Authority Financing Assistance, when added to the other sources of public and private funds to pay for the estimated costs of the acquisition, development and financing of the Housing Project, is necessary and reasonable and is an amount which is not more than appropriate or required in order to induce the Developer to undertake, complete and operate the Housing Project as an affordable rental housing project during the Affordability Period as provided in the 2015 Housing Authority DDA.

SECTION 4. The Housing Authority acknowledges that for the purposes of the development entitlement of the Housing Project, the Housing Authority is a “responsible agency” as this term is defined under the applicable regulations of the California Environmental Quality Act (“CEQA”). Accordingly, the Housing Authority has considered the CEQA findings of the City Council with respect to the Housing Project, as set forth in Section 8 of City Council Resolution No. 9620, dated October 14, 2015, and the Housing Authority hereby finds and determines that Section 305(c) of the 2015 Housing Authority DDA contain environmental compliance provisions which satisfy CEQA and Section 8 of City Council Resolution No. 9620 in connection with the Housing Authority’s approval of the 2015 Housing Authority DDA.

SECTION 5. The Housing Authority hereby approves the 2015 Housing Authority DDA in the form as attached to this Resolution as Exhibit “A”. The Chair and the Executive Director are hereby authorized and directed to execute the 2015 Housing Authority DDA on behalf of the Housing Authority together with technical and conforming changes as may be recommended by the Housing Authority General Counsel. The Executive Director is further authorized to execute such ancillary documents and instruments under the 2015 Housing Authority DDA on behalf of the Housing Authority as may be required to complete the transaction as contemplated in the 2015 Housing Authority DDA. Upon the “Effective Date” of the 2015 Housing Authority DDA, the provisions of the Memorandum of Understanding and Exclusive Negotiating Agreement dated as of May 1, 2015 by and between the Developer and the Housing Authority (the “2015 Housing Authority MOU”), shall be merged into the 2015 Housing Authority DDA. The disbursement of the Authority Financial Assistance by the Housing Authority to the Developer shall be subject to the satisfaction of the conditions set forth in Section 7 of the City Council Resolution No. 9620, date October 14, 2015 and Section 10 of the 2015 Cooperation Agreement by and between the City and the Housing Authority.

SECTION 6. The Housing Authority hereby acknowledges that as of December 8, 2015, the Community Development Commission of Los Angeles County (the “LACCDC”) has awarded the Housing Project with certain additional public financing assistance in the amount of

\$2,015,750, in connection with LACCDC NOFA 21, subject to the Developer's compliance with conditions of disbursement of such funds to the Housing Project under LACCDC NOFA 21. The Executive Director of the Housing Authority is hereby authorized and directed, in consultation with the Housing Authority General Counsel to enter into an agreement on behalf of the Housing Authority as the LACCDC may request, to evidence the coordination of the pledge by the Developer of "Residual Receipts" to the Housing Authority, as the term is defined in the 2015 Housing Authority DDA, to repay the Authority Financial Assistance and the separate pledge by the Developer to LACCDC of certain available Housing Project revenues to repay LACCDC the funds awarded to the Housing Project by LACCDC under its NOFA 21.

SECTION 7. The Housing Authority hereby authorizes and directs Executive Director to assist and cooperate with the Developer in the preparation and submission to the State of California Department of Housing and Community Development of an affordable rental housing financial assistance application (State of California VHHP: Proposition 41) for the Housing Project, at the earliest feasible time.

SECTION 8. The Housing Authority hereby authorizes and directs the Executive Director to assist and cooperate with the Developer in the preparation and submission to the State of California Tax Credit Allocation Committee of an affordable rental housing financial assistance application for the Housing Project, as contemplated in the 2015 Housing Authority DDA, at the earliest feasible time.

SECTION 9. The Secretary shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED AND ADOPTED by the governing board of the El Monte Housing Authority its meeting on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Andre Quintero,  
Chair of the El Monte Housing Authority

ATTEST:

\_\_\_\_\_  
Jonathan Hawes  
Secretary of the El Monte Housing Authority

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Jonathan Hawes, Secretary of the El Monte Housing Authority, do hereby certify that the above and foregoing Resolution No. \_\_\_\_\_ was passed, approved, and adopted by the El Monte Housing Authority, signed by the Chairman and attested by the Secretary at a meeting of said Housing Authority held on this \_\_\_\_\_day of \_\_\_\_\_ 2015, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Jonathan Hawes,  
Secretary

**ATTACHMENT 7  
PROFORMA**

# SOURCES AND USES

**PROJECT NAME:** El Monte Baldwin and Rose  
**FINANCE TYPE:** 9%, 55du  
**DATE:** 10-07-15  
**HOUSING TYPE:** Family  
**COUNTY:** LA  
**SPONSOR:** MERCY HOUSING CALIFORNIA

## CONSTRUCTION SOURCES OF FUNDS

	Amount	Per Unit	% of TDC
Bank Construction Loan	12,899,968	234,545	54%
Tax Credit Equity	2,216,536	40,301	9%
AHP	540,000	9,818	2%
VHHP	2,315,570	42,101	10%
City of El Monte (Fee deferral / Other)	750,000	13,636	3%
LACDC	2,015,750		
City of El Monte (Land Contribution)	2,670,000		
Expenses Paid at Conversion to Perm	524,564	9,538	2%
GP Contributions			
Deferred Dev. Fee	-	-	0%
GP Equity	-	-	0%
<b>TOTAL CONSTRUCTION SOURCES</b>	<b>23,932,388</b>	<b>349,939</b>	<b>100%</b>

## PERMANENT SOURCES OF FUNDS

	Amount	Per Unit	% of TDC
Conventional Mortgage	864,163	15,712	4%
Section 8 Backed Mortgage	-	-	0%
Tax Credit Equity	14,776,905	268,671	62%
AHP	540,000	9,818	2%
VHHP	2,315,570	42,101	10%
City of El Monte (Fee deferral / Other)	750,000	13636	3%
LACDC	2,015,750		8%
City of El Monte (Land Contribution)	2,670,000		
GP Contributions			
Deferred Dev. Fee		-	0%
GP Equity		-	0%
<b>TOTAL PERMANENT SOURCES</b>	<b>\$ 23,932,388</b>	<b>\$ 435,134</b>	<b>89%</b>

## USES OF FUNDS

Acquisition	5,355,000	97,364	22.4%
Hard Costs	11,508,675	209,249	48.1%
Architectural	644,486	11,718	2.7%
Engineering	300,000	5,455	1.3%
Constr. Int and Fees	1,008,413	18,335	4.2%
Permanent Financing	53,642	975	0.2%
Legal	100,000	1,818	0.4%
Reserves	396,098	7,202	1.7%
Contingencies	1,516,481	27,572	6.3%
Other Costs	1,549,593	28,174	6.5%
Developer Costs	1,400,000	25,455	5.8%
Syndication	100,000	1,818	0.4%
<b>TOTAL USES</b>	<b>23,932,388</b>	<b>435,134</b>	<b>100.0%</b>

**SURPLUS/GAP** \$ 0 \$ 0

# UNIT MIX

**PROJECT NAME:** El Monte Baldwin and Rose  
**FINANCE TYPE:** 9%, 55du  
**DATE:** 10-07-15  
**HOUSING TYPE:** Family  
**COUNTY:** LA  
**SPONSOR:** MERCY HOUSING CALIFORNIA

**MAX RENT (Gross per month; assume 1.5 persons/bdrm)**

	30%	40%	50%	60%	100%	
	AMI	AMI	AMI	AMI	AMI	Market
Studio/Efficiency	436	581	726	871	1,452	
1 Bdrm	467	622	778	934	1,556	
2 Bdrm	560	746	933	1,120	1,866	
3 Bdrm	647	863	1,079	1,295	2,158	
4 Bdrm	722	962	1,203	1,444	2,406	

**APARTMENT MIX**

	# of Apts	Sq. Ft. Per Apt	30% AMI	40% AMI	50% AMI	60% AMI	100% AMI	Unit Type Distribution	
SRO/Efficiency	0	500	0	0	0	0	0	0%	0.0%
1 Bdrm	16	650	12	2	2	0	0		29.1%
2 Bdrm	19	850	5	2	6	6	0	0%	34.5%
3 Bdrm	19	1100	0	6	6	7	0		34.5%
4 Bdrm	0		0	0	0	0	0	0%	0.0%
MGR	1	850							1.8%
<b>TOTAL</b>	<b>55</b>		<b>17</b>	<b>10</b>	<b>14</b>	<b>13</b>	<b>0</b>		
% of units			30%	12%	33%	25%		Average Affordability=45%	
			16	6	18	14	0		54

Non-Manager Units

54

31.48% 18.52% 25.93% 24.07%

**RENT SCHEDULE - TCAC RENTS**

Restriction	# of Apts	Sq. Ft. Per Apt	Sq Ft Total	Gross Rent	Util Allow	Effective Rent	Total Ann'l Rent	SHELTER + CARE SUBSIDY/Section 8/VASH				
								Units # of Apts	HACOLA Payment	Subsidy PUPM	Total Annual Subsidy	
30% Studio	-	500	-	436	-	436	-	27%	15	858	-	-
1 Bdrm	12	650	7,800	467	30	437	62,899	10	1,037	570	68,424	-
2 Bdrm	5	850	4,250	560	40	520	31,188	5	1,339	779	46,752	-
3 Bdrm	-	1,100	-	647	50	597	-	-	1,810	-	-	-
4 Bdrm	-	-	-	722	-	722	-	-	2,016	-	-	-
40% Studio	-	500	-	581	-	581	-	-	858	-	-	-
1 Bdrm	2	650	1,300	622	30	592	14,218	-	1,037	-	-	-
2 Bdrm	2	850	1,700	746	40	706	16,954	-	1,339	-	-	-
3 Bdrm	6	1,100	6,600	863	50	813	58,550	-	1,810	-	-	-
4 Bdrm	-	-	-	962	-	962	-	-	2,016	-	-	-
50% Studio	-	500	-	726	-	726	-	-	858	-	-	-
1 Bdrm	2	650	1,300	778	30	748	17,952	-	1,037	-	-	-
2 Bdrm	6	850	5,100	933	40	893	64,296	-	1,339	-	-	-
3 Bdrm	6	1,100	6,600	1,079	50	1,029	74,088	-	1,810	-	-	-
4 Bdrm	-	-	-	1,203	-	1,203	-	-	2,016	-	-	-
60% Studio	-	500	-	871	-	871	-	-	858	-	-	-
1 Bdrm	-	650	-	934	30	904	-	-	1,037	-	-	-
2 Bdrm	6	850	5,100	1,120	40	1,080	77,731	-	1,339	-	-	-
3 Bdrm	7	1,100	7,700	1,295	50	1,245	104,563	-	1,810	-	-	-
4 Bdrm	-	-	-	1,444	-	1,444	-	-	2,016	-	-	-
100% Studio	-	500	-	1,452	-	1,452	-	-	858	-	-	-
1 Bdrm	-	650	-	1,556	30	1,526	-	-	1,037	-	-	-
2 Bdrm	-	850	-	1,866	40	1,826	-	-	1,339	-	-	-
3 Bdrm	-	1,100	-	2,158	50	2,108	-	-	1,810	-	-	-
4 Bdrm	-	-	-	2,406	-	2,406	-	-	2,016	-	-	-
MGR	1	850	850	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>55</b>		<b>48,300</b>	<b>\$45,727</b>	<b>\$2,190</b>	<b>\$43,537</b>	<b>\$522,439</b>	<b>15</b>			<b>115,176</b>	

Common/Utility Areas

10%-25%

18%

8,694

**TOTAL RES. AREA**

**56,994**

**Commercial Square footage**

	square foot	Effective Rent psf	Annual Rent
Training/Incubator Space	-	-	-
Use 2 (specify)	-	-	-
Use 3 (specify)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**LAUNDRY INCOME**

55 Units

\$5.00 Month

3,300

**OTHER INCOME**

0

**GRAND TOTAL**

**640,915**

# DEVELOPMENT COSTS

**PROJECT NAME:** El Monte Baldwin and Rose  
**FINANCE TYPE:** 9%, 55du  
**ADDRESS:** 10-07-15  
**HOUSING TYPE:** Family  
**COUNTY:** LA  
**SPONSOR:** MERCY HOUSING CALIFORNIA

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	unit cost	Total Project Cost
<i>ACQUISITION</i>		
Total Land Cost or Value		-
Total Building Cost or Value		5,330,000
Title/Escrow/Closing		25,000
<b>TOTAL ACQUISITION</b>		<b>5,355,000</b>
 <i>CONSTRUCTION / REHABILITATION</i>		
Off-Site Improvements		
Demolition	\$3.0	-
Site Work/Landscape/Surface parking	\$5	634,325
Structures, Residential	\$166	9,461,004
Structures, Commercial	\$100	-
Garages/Structured Parking (res only)		
General Requirements	6.0%	605,720
Contractor Overhead	4.0%	403,813
Contractor Profit	4.0%	403,813
<b>TOTAL NEW CONSTRUCTION</b>		<b>11,508,675</b>
<b>ARCHITECTURAL FEES</b>	<b>5.6%</b>	<b>644,486</b>
<b>TOTAL SURVEY and ENGINEERING</b>		<b>300,000</b>
 <i>CONST. INTEREST &amp; FEES</i>		
Const. Loan Interest		515,999
Origination Fee	0.75%	96,750
Builders Risk Insurance	0.50%	62,325
Contractor Insurance	0.75%	86,315
Taxes During Construction	1.25%	66,938
Performance Bond Premium	1.00%	115,087
Lender Inspections		15,000
Title and Recording		50,000
<b>TOTAL CONST. INTEREST &amp; FEES</b>		<b>1,008,413</b>
 <i>PERMANENT FINANCING</i>		
Loan Origination Fee	1.00%	8,642
Title and Recording		20,000
Bond Issuance		-
Other		25,000
<b>TOTAL PERMANENT FINANCING</b>		<b>53,642</b>

# DEVELOPMENT COSTS

## LEGAL FEES

Constr. Related (includes lender legal)		50,000
Perm. Related (includes lender legal)		50,000
<b>TOTAL LEGAL FEES</b>		<b>100,000</b>

## RESERVES

Capitalized Operating		280,922
Capitalized Lease Up/Section 8 Reserve		115,176
Prop 41 COSR		396,098
<b>TOTAL RESERVES</b>		<b>396,098</b>

## CONTINGENCIES

Construction Contingency	10%	1,150,868
Soft Cost Contingency	10%	365,613
<b>TOTAL CONTINGENCIES</b>		<b>1,516,481</b>

## OTHER COSTS

TCAC App/Alloc/Monitor Fees	4%	78,843
Environmental Audit/Mitigation/Consulting		25,000
school fee	2,500.00	137,500
other impact fees	\$5,800	319,000
building permit, plan check, other fees	\$5,800	319,000
Capital Fees (utility fees & hook-up charge)	\$1,500	82,500
Predev loan interest		75,000
Market Study		25,000
Entitlements		15,000
Appraisal		15,000
Financial Consultant		60,000
Marketing/Leasing	\$2,050	112,750
Site and Interior Furnishings		140,000
Construction Mang./Oversight/Testing		145,000
<b>TOTAL OTHER COSTS</b>		<b>1,549,593</b>

**SUBTOTAL** **22,432,388**

## DEVELOPER COSTS

Developer Fee		1,400,000
<b>TOTAL DEVELOPER COSTS</b>		<b>1,400,000</b>

Total Syndication Costs 100,000

**TOTAL PROJECT COST** **23,932,388**

**GRAND TOTAL DEVELOPMENT COSTS** **\$23,932,388**

## CASH FLOW

**PROJECT NAME:** El Monte Baldwin and Rose  
**FINANCE TYPE:** 9%, 55du  
**DATE:** 10-07-15  
**HOUSING TYPE:** Family  
**COUNTY:** LA  
**SPONSOR:** MERCY HOUSING CALIFORNIA

	Inflation Factor	Initial Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		Per Month	Per Unit															
<b>POTENTIAL GROSS INCOME</b>																		
Resident Rent	2.5%	43,537	9,499	522,439	535,500	548,888	562,610	576,675	591,092	605,869	621,016	636,541	652,455	668,766	685,486	702,623	720,188	738,193
Operating Subsidy	2.5%	9,598	2,094	115,176	118,055	121,007	124,032	127,133	130,311	133,569	136,908	140,331	143,839	147,435	151,121	154,899	158,771	162,741
Commercial	1.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	2.5%	275	60	3,300	3,383	3,467	3,554	3,643	3,734	3,827	3,923	4,021	4,121	4,224	4,330	4,438	4,549	4,663
<b>POTENTIAL GROSS INCOME</b>		<b>53,410</b>	<b>11,653</b>	<b>640,915</b>	<b>656,938</b>	<b>673,362</b>	<b>690,196</b>	<b>707,450</b>	<b>725,137</b>	<b>743,265</b>	<b>761,847</b>	<b>780,893</b>	<b>800,415</b>	<b>820,426</b>	<b>840,936</b>	<b>861,960</b>	<b>883,509</b>	<b>905,596</b>
<b>VACANCY LOSS</b>																		
Resident	5.0%	(2,177)	(475)	(26,122)	(26,775)	(27,444)	(28,130)	(28,834)	(29,555)	(30,293)	(31,051)	(31,827)	(32,623)	(33,438)	(34,274)	(35,131)	(36,009)	(36,910)
Operating Subsidy	5.0%	(480)	(105)	(5,759)	(5,903)	(6,050)	(6,202)	(6,357)	(6,516)	(6,678)	(6,845)	(7,017)	(7,192)	(7,372)	(7,556)	(7,745)	(7,939)	(8,137)
Commercial	50.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	5.0%	-	-	(165)	(169)	(173)	(178)	(182)	(187)	(191)	(196)	(201)	(206)	(211)	(216)	(222)	(227)	(233)
<b>Total Vacancy Loss</b>		<b>(2,657)</b>	<b>(580)</b>	<b>(32,046)</b>	<b>(32,847)</b>	<b>(33,668)</b>	<b>(34,510)</b>	<b>(35,373)</b>	<b>(36,257)</b>	<b>(37,163)</b>	<b>(38,092)</b>	<b>(39,045)</b>	<b>(40,021)</b>	<b>(41,021)</b>	<b>(42,047)</b>	<b>(43,098)</b>	<b>(44,175)</b>	<b>(45,280)</b>
<b>EFFECTIVE GROSS INCOME</b>		<b>50,753</b>	<b>11,073</b>	<b>608,869</b>	<b>624,091</b>	<b>639,693</b>	<b>655,686</b>	<b>672,078</b>	<b>688,880</b>	<b>706,102</b>	<b>723,754</b>	<b>741,848</b>	<b>760,394</b>	<b>779,404</b>	<b>798,889</b>	<b>818,862</b>	<b>839,333</b>	<b>860,317</b>
<b>OPERATING EXPENSES</b>	3.5%		8,249	(453,680)	(469,559)	(485,993)	(503,003)	(520,608)	(538,830)	(557,689)	(577,208)	(597,410)	(618,319)	(639,960)	(662,359)	(685,542)	(709,536)	(734,369)
<b>NET OPERATING INCOME</b>				155,189	154,532	153,700	152,683	151,470	150,050	148,413	146,547	144,438	142,075	139,444	136,530	133,320	129,798	125,947
<b>RESERVES</b>																		
Replacement Reserve	0.0%	(1,604)	350	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)	(19,250)
Operating Reserve	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Reserve Deposits</b>		<b>(1,604)</b>	<b>350</b>	<b>(19,250)</b>														
<b>INCOME BEFORE DEBT SERVICE</b>				135,939	135,282	134,450	133,433	132,220	130,800	129,163	127,297	125,188	122,825	120,194	117,280	114,070	110,548	106,697
<b>DEBT SERVICE</b>																		
First Mortgage		(7,410)	(1,617)	1.53	1.52	1.51	1.50	1.49	1.47	1.45	1.43	1.41	1.38	1.35	1.32	1.28	1.24	1.20
<b>Total Debt Service</b>				(88,914)	(88,914)	(88,914)	(88,914)	(88,914)	(88,914)	(88,914)	(88,914)	(88,914)	(88,914)	(88,914)	(88,914)	(88,914)	(88,914)	(88,914)
<b>NET CASH FLOW</b>		3,919	855	47,025	46,368	45,536	44,518	43,305	41,886	40,249	38,382	36,274	33,911	31,280	28,366	25,156	21,633	17,783
<b>GRAND TOTAL NET CASH FLOW</b>				47,025	46,368	45,536	44,518	43,305	41,886	40,249	38,382	36,274	33,911	31,280	28,366	25,156	21,633	17,783
<b>USES OF AVAILABLE CASH</b>																		
Applicable to Deferr. Dev. Fee				47,025	46,368	45,536	44,518	43,305	41,886	40,249	38,382	36,274	33,911	31,280	28,366	25,156	21,633	17,783
Deferred Developer Fee	3.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual Cash Flow				47,025	46,368	45,536	44,518	43,305	41,886	40,249	38,382	36,274	33,911	31,280	28,366	25,156	21,633	17,783
Investor Asset Mgmt Fee	3.0%	(417)	(91)	(5,000)	(5,150)	(5,305)	(5,464)	(5,628)	(5,796)	(5,970)	(6,149)	(6,334)	(6,524)	(6,720)	(6,921)	(7,129)	(7,343)	(7,563)
Partnership Mgmt Fee	3.0%	(1,250)	(273)	(15,000)	(15,450)	(15,914)	(16,391)	(16,883)	(17,389)	(17,911)	(18,448)	(19,002)	(19,572)	(20,159)	(20,764)	(21,386)	(22,028)	(22,689)
<b>Cash Available for Disbursements</b>				27,025	25,768	24,318	22,664	20,795	18,701	16,368	13,785	10,939	7,815	4,401	681	(3,360)	(7,737)	(12,469)
Cash Available for Disbursements				27,025	25,768	24,318	22,664	20,795	18,701	16,368	13,785	10,939	7,815	4,401	681	-	-	-
Agency Share of Cash Disbursements	50.0%			13,513	12,884	12,159	11,332	10,398	9,350	8,184	6,892	5,469	3,908	2,201	341	-	-	-
GP/LP Share of Cash Disbursements	50.0%			13,513	12,884	12,159	11,332	10,398	9,350	8,184	6,892	5,469	3,908	2,201	341	-	-	-