

April 22, 2020

Immanuel Bereket
 County of Marin Planning Division
 3501 Civic Center Drive, Suite 308
 San Rafael, CA 94903

Re: Affordable Housing Plan
825 Drake Ave, Sausalito, CA 94965 / APN: 052-112-03

Dear Mr. Bereket,

The proposed project will be 100% affordable with 20% of the units for low income families earning up to 60% of the area median income for Marin County and the remaining 20% of the units will be for families earning up to 80% of the area median income. The project will consist of 74 units.

The following is the project’s proposed Affordable Housing Plan:

- A. The below table provides the number of units, unit size, number of bedrooms, and affordability.

Bedroom Size	Unit Size	Number of Units Affordable to 60% AMI	Number of Units Affordable to 80% AMI	Total Number of Units
1	592	5	19	24
2	765	8	34	42
3	1,128	2	4	8
Total		15	59	74

- B. *Eligible occupants.* All affordable housing units shall be rented to Income Qualifying Households, if they comply with the income occupancy restrictions after including all actual and/or imputed income from such assets calculated pursuant to the HUD Occupancy Handbook, Chapter 5, Section 7 “Calculating Income and Assets”.
- C. *Income restriction.* All affordable housing units shall be income-restricted for 55 years, unless the review authority reduces the term of the affordability requirement to reflect the maximum term that is permitted by Federal or State financing sources. The proposed project will be 100% affordable with 20% of the units for low income families earning up to 60% of the area median income for Marin County and the remaining 20% of the units will be for families earning up to 80% of the area median income.
- D. *Affordable unit cost.* Any affordable rental units proposed by an applicant shall be offered at an affordable rent not exceeding 30 percent of the gross income of households earning up to 80 percent of area median income, adjusted for household size. The housing unit rental prices shall

be established by the County or its designee, as published by HUD annually and shall be based on the number of bedrooms.

- E. *Location of affordable housing units.* All units will be affordable and be on-site.
- F. *Design and character of affordable housing units.* All units will be compatible with the exterior design and consistent in appearance, materials, amenities, and finished quality.
- G. *Construction schedule and phasing of inclusionary units in relation to market-rate units.* Construction will begin in 2021 and finish in 18-21 months. The project is 100% affordable and will not be constructed in phases.
- H. *Provisions for income certification and screening of potential purchasers and/or renters of inclusionary units, resale control mechanisms, and ongoing monitoring and administration.*

The proposed development will be subject to a Regulatory Agreement made between AMG & Associates, LLC or related entity and the California Tax Credit Allocation Committee (“TCAC”). Said Regulatory Agreement will restrict the rents and income levels of future tenants for a period of 55 years from the date of the agreement.

We will be obligated by the language below which will be included within the Regulatory Agreement to maintain compliance:

Compliance Monitoring. The Owner acknowledges that TCAC is required, pursuant to Section 42(m)(1)(B)(iii) of the Code, (i) to monitor the Owner's and the Project's compliance with the requirements of Section 42 of the Code and (ii) to notify the Service of any noncompliance which is found. The Owner agrees (I) to maintain records that substantiate and document such compliance, preserving such records for the period required by the Service and TCAC, (II) to take all actions required by TCAC pursuant to the TCAC Compliance Monitoring Procedures to assist or cooperate with TCAC in monitoring such compliance and (III) to pay the fee prescribed by TCAC with respect to such monitoring. The TCAC Compliance Monitoring Procedures require, among other things, that the Owner annually certify to TCAC (on such forms as are prescribed by TCAC) the number of Units in the Project which are Low-Income Units, the percentage of floor space in the Project which is allocable to Low-Income Units, that the Project continues to be a Qualified Low-Income Housing Project. The Owner is responsible for full adherence to the TCAC Compliance Monitoring Procedures without regard to whether particular requirements of those procedures are enumerated in this Agreement. The Owner agrees TCAC may, at any time during the construction, rehabilitation, or operation of the Project, enter and inspect the Project to evaluate its physical and financial condition, construction, rehabilitation, operation, management and maintenance.

Furthermore, our project will be managed by a professional third-party management company with extensive experience in affordable housing rental projects. Our proposed budget includes a management fee for these included services. This will be the ongoing “financial mechanism” which will be paid by the net receivables of the project. The project is a rental product and not for sale.

A sample Regulatory Agreement has been included as reference.

- I. *Any incentive requested pursuant to Chapter 22.24 (Affordable Housing Incentives), including the additional information specified in that Chapter.*

Marin County's Zoning Code ("Zoning Code") imposes specific development standards depending on the project's location. Pursuant to State Density Bonus Law, an eligible housing development shall be entitled to four concessions for projects meeting the criteria of subparagraph (G) of paragraph (1) of subdivision (b). Therefore, please see below details on the concessions being requested, which are based on the current plan and the standards set forth in the Zoning Code:

1. **Height:** Section 22.10.040 of the Zoning Code requires the maximum building height be 30 feet for main buildings. The height of a structure is defined as the vertical distance from grade to the highest point of a structure. The Applicant is proposing a height of 52.5 feet to physically accommodate 74 units. This would be an actual, identifiable cost reduction because if the Applicant complied with this then units would be eliminated translating to an increase in land and soft costs per unit.

Granting this concession allows the Applicant to develop the project at the allowed 74 units pursuant to the State Density Bonus Law. In addition to incentives, the project is entitled to receive the number of waivers or modifications of development standards that may be required in order to physically accommodate the development at the densities and with the incentives that are permitted under State Density Bonus Law [Government Code § 65915(e)]. The Applicant reserves the right to amend this request or add additional concessions and waivers, should such be required during staff's review or the public hearing phase of the project and the requested entitlements

The Applicant may make revisions to the Affordable Housing Plan should they be needed during the entitlement of the project. Should you have any further questions, please feel free to contact me at kcalica@amgland.com or (818) 380-2600.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. Calica', with a stylized flourish at the end.

Kimberly Calica



LEAD SHEET

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RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
8:04 AM NOV 25 2002

SPACE ABOVE THIS LINE FOR RECORDERS USE

TITLE(S)

FEE

FREE VV

15

D.T.T.

CODE
20

CODE
19

CODE
9

Assessor's Identification Number (AIN)

To Be Completed By Examiner OR Title Company In Black Ink

Number of Parcels Shown

0001

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~~02-2784131~~

Recording requested by and
when recorded mail to:

Tax Credit Allocation Committee
915 Capitol Mall, Room 485
P.O. Box 942809
Sacramento, CA 94209-0001

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Free Recording Requested
In Accordance With
Government Code 6103

Space above this line
for Recorder's use

REGULATORY AGREEMENT

Federal Credits

This Regulatory Agreement (this "Agreement") is made between the California Tax Credit Allocation Committee ("TCAC"), established under Section 50199.8 of the Health and Safety Code of the State of California, and Monterey Park Senior Village, L.P. ("Owner") and is dated as of June 17, 2002 (the "Effective Date"). The Owner has requested and TCAC has authorized an allocation relating to the low-income housing tax credit (the "Federal Tax Credit") under Section 42 of the Internal Revenue Code of 1986 (collectively, the "Tax Credit"). The Tax Credit relates to a multifamily rental housing project known as Monterey Park Senior Village, identified in the records of TCAC by TCAC# CA-2000-183 and IRS Building Identification Number CA-2000-18301, and located on the real property described in Exhibit A of this Agreement, attached hereto and incorporated herein (the "Project"). This Agreement is intended to constitute the extended low income housing commitment required by Section 42(h)(6) of the Internal Revenue Code. Accordingly, in consideration of the allocation relating to the Tax Credit by TCAC and the requirements of the Internal Revenue Code, the Owner and TCAC hereby agree as follows:

Section 1. Definitions.

a. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the following meanings:

"Agreement" means this Regulatory Agreement between TCAC and the Owner.

"Applicable Fraction" means the smaller of the Unit Fraction or the Floor Space Fraction, all calculated in accordance with Section 42(c)(1) of the Code.

"Area Median Gross Income" means the median gross income of the area in which the Project is located as determined by the Secretary for purposes of Section 42 of the Code, including adjustments for family size.

"Assumption Agreement" shall have the meaning assigned in Section 15 hereof.

"Code" means those provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

"Compliance Period" means the period of 30 consecutive taxable years beginning with the first taxable year of the Credit Period, or such longer period as is prescribed at Appendix A.

"Credit Period" means, with respect to the State Tax Credit, the period of four taxable years beginning with the taxable year the Project is placed in service or (at the election of the Owner) the succeeding taxable year, and with respect to the Federal Tax Credit, the period of ten taxable years beginning with the taxable year the Project is placed in service or (at the election of the Owner) the succeeding taxable year, as further provided pursuant to Section 2b hereof.

"Effective Date" means the date first set forth herein above.

"Federal Tax Credit" means the low-income housing tax credit under Section 42 of the Code.

"Floor Space Fraction" means the fraction, the numerator of which is the total floor space of the Low-Income Units in a building and the denominator of which is the total floor space of the Units in such building.

"Gross Rent" means all amounts paid by a Tenant for rent, determined in a manner consistent with Section 42(g)(2) of the Code. If the Tenant pays utilities directly, Gross Rent shall include any utility allowance prescribed by the Secretary.

"Income" means the income of a Tenant determined in a manner consistent with the requirements of Section 142(d)(2)(B) of the Code.

"Low-Income" means, with respect to any Tenant, an income level not exceeding 50% or 60% of Area Median Gross Income, as provided in Section 4b hereof, or such alternative income level as may be set forth in Appendix A.

"Low-Income Tenant" means a Tenant who, when the Tenant originally occupied the Unit, had an Income qualifying as Low-Income. For so long as the Tenant occupies the particular Unit [or another unit in the same building], the Tenant will remain a Low-Income Tenant if the Tenant's Income, upon the most recent income certification, does not exceed 140% of Low-Income.

"Low-Income Unit" means a Unit in the Project that is occupied by a Low-Income Tenant, is Rent-Restricted and meets the other requirements of Section 42 of the Code, in particular, Section 42(i)(3).

"Minimum Amount" means the number of Units in the Project required to be Low-Income Units, which Minimum Amount for this Project is 20% or 40% of the Units, as provided in Section 4b hereof. Notwithstanding the Minimum Amount, the Applicable Fraction for this project shall be no less than that set forth at Section 4c hereof.

"Owner" means Monterey Park Senior Village, L.P. or successors.

"Project" means the residential rental housing project known as Monterey Park Senior Village, TCAC# CA-2000-183, and located on the real property described in Exhibit A.

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"Qualified Low-Income Housing Project" means a residential rental project meeting the requirements of Section 4 hereof.

"Rent-Restricted" means, with respect to any Unit, that the Gross Rent with respect to such Unit is not more than 30% of the imputed income limitation applicable to such Unit pursuant to Section 42(g)(2)(C) of the Code, as modified by Appendix A, if applicable.

"Secretary" means the Secretary of the Treasury of the United States.

"Service" means the United States Internal Revenue Service and any successor thereto.

"Tax Credit" means the low-income housing tax credit under Section 42 of the Code.

"TCAC" means the Tax Credit Allocation Committee and its successor.

"TCAC Compliance Monitoring Procedures" means those procedures and requirements adopted or imposed by TCAC for the purpose of discharging its responsibilities pursuant to Section 42(m)(1)(B)(iii) of the Code to monitor compliance by the Owner and the Project with the provisions of Section 42 of the Code and notify the Service of instances of noncompliance.

"Tenant" means the individual or individuals entitled to occupy a Unit in the Project by lease or other legal relationship with the Owner.

"Unit" means any residential rental unit in the Project consisting of an accommodation containing separate and complete facilities for living, sleeping, eating, cooking, and sanitation; provided, however, that single room occupancy units used on a nontransient basis may be treated as Units.

"Unit Fraction" means the fraction, the numerator of which is the number of Low-Income Units in a building and the denominator of which is the number of Units in such building.

b. Any term or phrase which is used in this Agreement and not defined herein shall have the meaning, if any, assigned thereto in Section 42 of the Code. Any term or phrase which is defined herein shall, unless the context shall clearly indicate otherwise, be interpreted in a manner consistent with the provisions and requirements of Section 42 of the Code.

Section 2. Term.

a. This Agreement shall commence as of the Effective Date and shall terminate on the last day of the Compliance Period (the "Term"), unless earlier terminated pursuant to Section 2c hereof.

b. The Credit Period commences with respect to each building in the Project (i) the taxable year in which the building is placed in service or (ii) the succeeding taxable year, at the irrevocable election of the Owner pursuant to Section 42(f) (1)(B) of the Code. In the case of the Project, the Credit Period begins in the calendar year 20 02 or set forth at Appendix A with respect to individual buildings.

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c. Notwithstanding subsection a. of this Section 2, this Agreement shall terminate with respect to any building in the Project on the date such building is acquired by foreclosure or instrument in lieu of foreclosure unless the Secretary determines that such acquisition is part of an arrangement a purpose of which is to terminate such period; provided, however, that, except for eviction for good cause, the Tenant of any Low-Income Unit shall be entitled to occupy such Unit in accordance with the provisions of this Agreement for a period of three years following such termination.

Section 3. Filing. This Agreement, and all amendments hereto, shall be recorded as a restrictive covenant in the official records of the County of Los Angeles in which the Project is located. The Owner shall pay all fees and charges incurred in connection with such recording.

The Owner intends, declares and covenants, on behalf of itself and all future owners and operators of the Project during the Term of this Agreement, that this Agreement and the covenants and restrictions set forth in this Agreement regulating and restricting the use, occupancy and transfer of the Project (i) shall be and are covenants running with the Project land, encumbering the Project land for the Term of this Agreement and binding upon the Owner's successors in title and all subsequent owners and operators of the Project land, and (ii) shall bind the Owner (and the benefits shall inure to TCAC and any past, present or prospective Tenant of the Project) and its respective successors and assigns during the Term of this Agreement. The Owner hereby agrees that any and all requirements of the laws of the State of California to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project land. For the Term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Agreement; provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Agreement.

Section 4. Qualified Low-Income Housing Project.

a. The Owner shall maintain the Project as a Qualified Low-Income Housing Project within the meaning of Section 42 of the Code at all times, commencing with the last day of the first year of the Credit Period and continuing throughout the Term of this Agreement. To this end, and without limitation, the Owner shall --

(i) operate the Project such that at least the Minimum Amount of the Units in the Project are Low-Income Units, and

(ii) assure that Units in the Project are (A) available for use by the general public, (B) suitable for occupancy and (C) used on other than a transient basis.

b. For purposes of this Agreement and Section 42 of the Code, the Owner has elected to comply with [] the "20-50 test" pursuant to which "Low-Income" is defined as 50% of Area Median Gross Income and the Minimum Amount is 20% of the Units in the Project or [X] the "40-60 test" pursuant to which "Low-Income" is defined as 60% of Area Median Gross Income and the Minimum Amount is 40% of the Units in the Project.

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c. The amount of Tax Credit allocated to the Project is based on the requirement that the Applicable Fraction for buildings in the Project will be at least 100% or as specified, building-by-building, at Appendix A. The Owner's failure to ensure that each building in the Project complies with such requirement will cause TCAC to report such fact to the Service which may result in the reduction and recapture by the Service of Tax Credit, and (ii) to take other appropriate enforcement action, including, but not limited to, the remedies provided herein.

d. The Owner may not refuse to lease a Unit in the Project to a prospective Tenant who holds a voucher or certificate of eligibility for assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended, because of the status of such prospective Tenant as the holder of such voucher or certificate.

e. The Project and the Owner are subject to the additional and/or modified requirements, if any, set forth at Appendix A, which requirements are incorporated herein and made a part hereof.

Section 5. Annual Determinations; Low-Income Units. Upon initial occupancy and, unless otherwise allowed under Section 42 of the Code and specifically authorized by TCAC, at least annually thereafter, the Owner shall determine and certify the Income of each Low-Income Tenant. If, upon any such annual certification, the Tenant of a Low-Income Unit who was, at the last income certification, a Low-Income Tenant, is found no longer to be a Low-Income Tenant, such Unit will continue to be treated as a Low-Income Unit until the next available Unit of comparable or smaller size in the building (i) is rented to a person who is not a Low-Income Tenant or (ii) is rented without being Rent-Restricted. A Low-Income Unit that has been vacated will continue to be treated as a Low-Income Unit provided that (I) reasonable attempts are made to rent the Unit and (II) no other Units of comparable or smaller size in the building are rented to persons who are not Low-Income Tenants or are rented without being Rent-Restricted. In no case will a Unit be treated as a Low-Income Unit if all the Tenants of the Unit are students (as determined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint income tax return; provided, however, that such rule shall not apply to the types of students identified at Section 42(i)(3)(D) of the Code, or any successor to such provision, as applicable to the Project.

Section 6. Compliance Monitoring. The Owner acknowledges that TCAC is required, pursuant to Section 42(m)(1)(B)(iii) of the Code, (i) to monitor the Owner's and the Project's compliance with the requirements of Section 42 of the Code and (ii) to notify the Service of any noncompliance which is found. The Owner agrees (I) to maintain records that substantiate and document such compliance, preserving such records for the period required by the Service and TCAC, (II) to take all actions required by TCAC pursuant to the TCAC Compliance Monitoring Procedures to assist or cooperate with TCAC in monitoring such compliance and (III) to pay the fee prescribed by TCAC with respect to such monitoring. The TCAC Compliance Monitoring Procedures require, among other things, that the Owner annually certify to TCAC (on such forms as are prescribed by TCAC) the number of Units in the Project which are Low-Income Units, the percentage of floor space in the Project which is allocable to Low-Income Units, that the Project continues to be a Qualified Low-Income Housing Project; provided, however, that in the first year of the Credit Period, the Owner shall certify individually with respect to each month of such year the number of Low-Income Units in the Project and the percentage of floor space devoted to such Units on the last day of the month. The Owner is responsible for full adherence to the TCAC Compliance Monitoring Procedures without regard to whether particular requirements of those procedures are enumerated in this Agreement. The Owner agrees TCAC may, at any time during the construction, rehabilitation, or operation of the Project, enter and inspect the Project to

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evaluate its physical and financial condition, construction, rehabilitation, operation, management and maintenance.

Section 7. Notification of Noncompliance. The Owner agrees to notify TCAC or its designee if there is a determination by the Service that the Project is not a "qualified low-income housing project" within the meaning of Section 42(g) of the Code. Notification to TCAC will be made within ten business days of receipt of any such determination.

Section 8. Security for Performance. The Owner hereby assigns its interest in the rents from the Project to TCAC as security for the performance of the Owner's obligations under this Agreement. However, until and unless the Owner defaults in its obligations under this Agreement, the Owner is entitled to collect, retain and apply such rents.

Section 9. Remedies. In the event the Owner defaults in its obligations under this Agreement and such default is not cured within a reasonable time period, the remedies of TCAC, the Tenants and any former or prospective Low-Income Tenants shall include, but are not limited to, the following:

a. collecting all rents with respect to the Project and applying them (i) to meet the ongoing costs of operating the Project, (ii) to pay debt service, (iii) to reimburse any Low-Income Tenants who may have been charged a Gross Rent above the applicable Rent-Restricted level or (iv) to assure the long-term, Low-Income use of the Project consistent with the requirements of Section 42 of the Code and this Agreement;

b. taking possession of the Project and operating the Project in accordance with the requirements of this Agreement, including the collection and application of rents in accordance with subsection a of this Section 9, until the Owner demonstrates that it will operate the Project in accordance with this Agreement;

c. applying to any court for specific performance of any of the obligations herein set forth;

d. securing the appointment of a receiver to operate the Project in a manner consistent with this Agreement, including subsections a and b of this Section 9;

e. suit against the Owner for damages or for the disgorgement of rents collected in excess of those which would have been received had the Owner complied with the requirements of this Agreement; and

f. requiring the replacement of the manager of the Project with a property manager approved by TCAC, in the event the Owner fails to maintain the Project in sound and habitable condition, such that each Low-Income Unit is suitable for occupancy in accordance with the requirements of Section 42 (I) (3) (B) (I) of the Code and Section 4a of this Agreement;

g. requiring the payment of an increased compliance monitoring fee by the owner for such period as TCAC determines appropriate; and

h. such other relief as may be appropriate.

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Section 10. Enforceability. This Agreement may be enforced by TCAC or its designee, including any agency of State or local government identified at Appendix A hereto or otherwise in a written notice provided by TCAC to Owner. In addition, the Agreement shall be deemed a contract enforceable by, and shall inure to the benefit of, one or more Tenants or persons meeting the Low-Income restriction, whether past, present, or prospective Tenants, as third-party beneficiaries hereof. TCAC, its designee and/or any Tenant or other third-party beneficiary shall be entitled to reasonable attorneys' fees and other legal costs in any judicial or administrative action in which such party shall prevail.

Section 11. No Conflicting Agreements. The Owner warrants that it is not bound by and will not execute any other agreement with provisions that bind it to violate the provisions of this Agreement; provided, however, that with the approval of TCAC, this Agreement may be subordinated, if required, to any lien or encumbrance of any banks or other institutional lenders to the Project; provided, further, that the terms of any such subordination shall provide that (i) prior to any such lender's acquisition of the Project by foreclosure or instrument in lieu of foreclosure, the exercise of any remedy or authority by any such lender shall be subject to all of the requirements of the Agreement, and (ii) subsequent to any such lender's acquisition of the Project by foreclosure or instrument in lieu of foreclosure, the requirement of Section 2c hereof, with respect to the continuation of occupancy and rent restrictions for three years following certain terminations of this Agreement, shall remain in effect.

Section 12. Successors Bound. This Agreement and the covenants and conditions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Owner and its successors and assigns and all subsequent owners of the Project or any interest therein, and TCAC and its successors and assigns, for the Term of this Agreement, without regard to whether any such parties shall have executed an Assumption Agreement with respect hereto. Upon termination of this Agreement, the covenants and conditions contained herein shall expire, except that the requirement of Section 2c hereof, with respect to the continuation of occupancy and rent restrictions for three years following certain terminations of this Agreement, shall remain in effect.

Section 13. Amendments; Waivers. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified, altered or terminated except by written instrument executed and acknowledged by each of the parties hereto or their successors and duly recorded in the official records of the county in which this Agreement is recorded. Any waiver of any provision of this Agreement shall not be deemed to be an amendment hereof. Upon request by TCAC, the Owner agrees that it will take all actions necessary to effect any amendment of this Agreement which may be necessary in TCAC's sole discretion to comply with the Code, and any and all applicable rules, regulations, policies, procedures, rulings or other official statements pertaining to the Tax Credits.

Section 14. Assignment by Owner. The Owner may not sell or otherwise dispose of any portion of any building in the Project unless it disposes of the entire building to the same person. Upon sale or transfer of the Project, the Owner shall be relieved of all obligations under the Agreement and the transferee shall succeed to and be bound by all of the Owner's rights and obligations hereunder, without regard to whether the transferee has executed an Assumption Agreement as hereinafter provided. Prior to any transfer of the Project, the Owner shall notify TCAC in writing and provide the name(s) and address(es) and financial reports of the prospective successor owner and operator. The Owner shall require, as a condition precedent to any sale, transfer or exchange or any other disposition of the Project prior to termination of this Agreement, that the purchaser or successor assume, in writing, in an Assumption Agreement

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acceptable to TCAC, the Owner's obligations hereunder and under Section 42 of the Code and applicable regulations, which Assumption Agreement shall be delivered to TCAC in executed, recordable form prior to any such sale, transfer or exchange. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Project or any building in the Project. The Owner agrees that any sale, transfer or exchange of the Project without execution of an Assumption Agreement or otherwise in contravention of the provisions of this Section 14 shall be voidable at the discretion of TCAC. Changes in the constituents of the Owner shall not constitute a default under this Agreement. Owner acknowledges that the sale, transfer or exchange of the Project, or any interest in the Project or the Owner, consistent with the requirements of this Agreement, does not relieve the Owner or any of its constituents from any obligations which it may have under Section 42 of the Code, including those with respect to recapture of Tax Credit or any alternative thereto.

Section 15. Notices. All notices, certificates or other communications shall be sufficiently given and shall be deemed received on the second day following the date on which the same have been mailed by certified mail, postage prepaid, or sent by other method which produces evidence of delivery thereof, addressed as follows:

To the TCAC:

California Tax Credit Allocation Committee
915 Capitol Mall, Room 485
P.O. Box 942809
Sacramento, CA 94209-0001

To the Owner:

Monterey Park Senior Village, L.P.
3345 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010

TCAC and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 16. Indemnification. The Owner agrees to indemnify and hold harmless the Chairperson, TCAC committee members, TCAC officers, directors and employees from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by TCAC as a result of any material inaccuracy in any of the representations and warranties contained in this Agreement, or as a result of any action by the Owner, including claims by third parties.

The Owner agrees that should any claims, demands, suits or other legal proceedings be made or instituted by any person against TCAC which arise out of any of the matters relating to this Agreement, the Owner will cooperate fully with TCAC in the defense or other disposition thereof.

Section 17. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 18. Governing Law. This Agreement shall be governed by the laws of the State of California, excluding conflicts provisions, and, where applicable, the laws of the United States of America.

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Section 19. Survival of Obligations. The obligations of the Owner as set forth herein and in the application shall survive the allocation of the Tax Credit and shall not be deemed to terminate or merge with the awarding of the allocation.

Section 20. Interpretation. TCAC's interpretation of this Agreement shall be controlling for purposes of determining whether (i) the Compliance Period shall have commenced, (ii) this Agreement shall have been terminated in accordance with Section 2 hereof, and (iii) the Additional Use Restrictions elected at Appendix A hereto, if any, shall have been complied with.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized representatives, as of the day and year first written above.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

By Jeanne L. Peterson
Jeanne L. Peterson
Executive Director

MONTEREY PARK SENIOR VILLAGE, L.P.

By J. Monique Jawske
(Owner)
J. MONIQUE JAWSKE
(Please type or print name)

The undersigned, owners of the property described on Exhibit A hereto, hereby consent to recordation of this Regulatory Agreement against such property, and agree that such property shall be bound by the provisions thereof.

MONTEREY PARK SENIOR VILLAGE, L.P.

By J. Monique Jawske

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Los Angeles } ss.

On September 24, 2002 before me, Genette Foster, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared J. Monique Lawshé
Name(s) of Signer(s)

- personally known to me
- 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.



Place Notary Seal Above

WITNESS my hand and official seal.

Genette Foster
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Regulatory Agreement - Federal Credits

Document Date: June 17, 2002 Number of Pages: Not paginated

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

- Signer's Name: J. Monique Lawshé
- Individual
 - Corporate Officer — Title(s): Chief Executive Officer
 - Partner — Limited General
 - Attorney in Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: Monterey Park Senior Village, L.P.
A Community of Friends

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CALIFORNIA ALL-PURPOSE NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF Sacramento

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On 10/16/02, before me, Sonia A. Windtberg, Notary Public,

personally appeared Jeanne L. Peterson,

personally known to me

-or-

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.

WITNESS my hand and official seal.



Sonia A. Windtberg
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove invaluable 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(s)

Title(s)

Title Or Type of Document

- Partner(s) Limited
- General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator

Date of Document

Other: _____

Signer(s) Other Than Named Above

Signer is representing:
Name Of Person(s) Or Entity(ies)

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EXHIBIT A
to Regulatory Agreement

Description of the real property
on which the Project is located

CA-2000-183

Location:

1935 Potrero Grande Drive
Monterey Park, CA 91755-7413

Legal Description:

That portion of Lot 70 of Tract 701, in the City of Monterey Park, County of Los Angeles, State of California, as per map recorded in Book 16, pages 110 and 111 of maps, in the Office of the County Recorder of said County, described as follows:

Beginning at a point in the southeasterly line of said lot, distant thereon south 45°56'35" west 166.44 feet from the most easterly corner of said lot; thence south 45°56'35" west along said southeasterly line 41.78 feet; thence continuing along said southeasterly line south 62°55'45" west 135.84 feet; thence north 51°35'55" west, parallel with the northeasterly line of said lot, 503.16 feet (503.18 feet measured) to a point on a line parallel with the northwesterly line of said lot and distant south 51°35'55" east 430 feet therefrom; thence north 38°20'35" east along said parallel line 165 feet to a point distant along said line south 38°28'35" west 165 feet from the northeasterly line of said lot; thence south 51°33'55" east 565.21 feet to the point of beginning.

The above described land is shown marked "2.04 Acres" on the Record of Survey filed in Book 34, Page 26, Record of Surveys of said County.

Except therefrom one-half interest in all minerals, petroleum, asphaltum, brea, oil, gas and other hydrocarbon substances lying below a depth of 500 feet from the surface of said property, but with no right of surface entry, as provided in the deed recorded March 4, 1963 in Book D1941, Page 79, Official Records as Instrument No. 5516.

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Project Size Description:

3 Buildings
113 Low-Income Units; 1 Manager's Unit
0 Studio, 90 1-Bedroom; 24 2-Bedroom;
0 3-Bedroom; 0 4-Bedroom;
0 5-Bedroom

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APPENDIX A
ADDITIONAL USE RESTRICTIONS

Housing Type

- Large Family
- Senior
- SRO
- Special Needs
- At-Risk
- Non-targeted

Average Income Target

Throughout the Compliance Period, unless otherwise permitted by TCAC, Units must be occupied by Tenants such that the average income of Tenants is at or below 5% @ 30%, 5% @ 35%, 5% @ 40%, 5% @ 45% & 45% @ 50% of Area Median Gross Income, and, such Units shall be Rent-Restricted in accordance with such income level.

Longer Compliance Period

The Compliance Period shall be a period of 55 consecutive taxable years commencing with the first year of the Credit Period.

Designation of First Year of Credit Period by Building

- Building Id. _____ First Year of Credit Period 199_
- Building Id. _____ First Year of Credit Period 199_
- Building Id. _____ First Year of Credit Period 199_
- Building Id. _____ First Year of Credit Period 199_
- Building Id. _____ First Year of Credit Period 199_
- Building Id. _____ First Year of Credit Period 199_

Material Participation by Qualified Nonprofit Organization

Throughout the Compliance Period, a "qualified nonprofit organization" within the meaning of Section 42(h)(5)(C) of the Code shall own an interest in the Project and shall materially participate (within the meaning of Section 469(h)) in the development and operation of the Project.

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Targeted Population and Physical Facility Features

Large Family Project

- At least thirty percent (30%) of the units in the project are three-bedroom or larger units, fifty percent (50%) if project received credits from the Small Development set-aside.
- Three-bedroom units include at least 1,000 square feet of living space and four-bedroom units include at least 1,200 square feet of living space, or TCAC has granted a waiver because these restrictions conflict with the requirements of another governmental agency to which the project was subject to approval.
- Four-bedroom and larger units have at least two full bathrooms.
- The project shall provide outdoor play/recreational facilities suitable for children of all ages, or TCAC waived this requirement because the project is a Small Developments.
- The project provides an appropriately-sized common area.
- Adequate laundry facilities are available on the project premises, with no fewer than one washer/dryer per 10 units, or if no centralized laundry facilities are provided, washers and dryers are provided in each unit.

Senior project

- Unit occupancy shall be restricted to residents 55 years of age or older (at least one family member).¹
- Access to basic services shall be available by other than resident-owned transportation.
- If the Project is over two stories it contains an elevator.
- No more than twenty percent (20%) of the low-income units in the project are two-bedroom units.
- Emergency call systems shall be included in all units, with capability for 24-hour monitoring.
- Common area(s) are provided on site, or are within approximately one-half mile of the subject property.
- Adequate laundry facilities are available on the project premises, with no fewer than one washer/dryer per 15 units. If no centralized laundry facilities are provided, washers and dryers are provided in each of the units;

SRO project

- Project units are efficiency units which include a complete private bath and kitchen but do not have a separate bedroom. No more than five percent (5%) of the total units contain a separate bedroom.
- At least one bath is provided for every eight units.
- Adequate laundry facilities are available on the project premises, with no fewer than one washer/dryer per 15 units.

¹ Note: The Federal Fair Housing Act requires, generally, that projects which are limited to occupancy by older persons either (i) be restricted to households in which all members are 62 years or older or (ii) be "intended and operated" for persons 55 years or older and publish "practices and procedures" demonstrating such intent. All tax credit projects must comply with these requirements, as applicable under Federal law, in addition to the TCAC Regulatory Agreement.

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Special Needs project

- The units and building configurations (including community space) meet the specific needs of the population.
- Adequate laundry facilities are available on the project premises, with no fewer than one washer/dryer per 15 units.

Site Amenities

Throughout the Compliance Period, unless otherwise permitted by TCAC, the Project shall include the following site amenities:

- **Within ½ mile of grocery, pharmacy or medical facilities**
- **Transit oriented development**

Service Amenities

The Project shall include the following service amenities, which must be appropriate to the population being served and committed for a minimum of 10 years:

- **Educational classes**
- **Contracts for services – daily living**
- **Evidence of service coordinator**

Minimum Applicable Fraction by Building

Building Id. _____ Minimum Applicable Fraction ____%

Building Id. _____ Minimum Applicable Fraction ____%

Building Id. _____ Minimum Applicable Fraction ____%

Building Id. _____ Minimum Applicable Fraction ____%

Building Id. _____ Minimum Applicable Fraction ____%

Building Id. _____ Minimum Applicable Fraction ____%

Agency Designated to Enforce

At any time during the Compliance Period, the California Tax Credit Allocation Committee may designate an agency of local government to enforce the terms of this Agreement. The California Tax Credit Allocation Committee designates the following agency of local government for such purpose:
