


Report of the President

September 24, 2020

**RESOLUTION AUTHORIZING LA CIENEGA LOMOD, INC., IN ITS CAPACITY AS THE MANAGING GENERAL PARTNER OF ALISO VILLAGE HOUSING PARTNERS, L.P. ("AVHP PARTNERSHIP"), TO HAVE THE AVHP PARTNERSHIP ENTER INTO A REDEMPTION AGREEMENT WITH RELATED/ALISO DEVELOPMENT CO., LLC AND A DISTRIBUTION AGREEMENT WITH HACLA PDS LLC; EXECUTE DOCUMENTS REQUIRED FOR THE INTERIM TRANSFER OF THE MIXED-FINANCE PROJECT TO HACLA PDS LLC; AND UNDERTAKE VARIOUS ACTIONS IN CONNECTION THEREWITH**

  
 \_\_\_\_\_  
 Tina Smith-Booth  
 President

*Lisette Belon*  
 \_\_\_\_\_  
 Lisette Belon  
 Secretary

- 
- Purpose:** To authorize La Cienega LOMOD, Inc. (the "Corporation") in its capacity as managing general partner of Aliso Village Housing Partners, L.P. (the "AVHP Partnership") by and through the President and other Designated Officers, to: enter into a Redemption Agreement with Related/Aliso Development Co., LLC, its administrative general partner (the "AGP"), a distribution agreement with HACLA PDS, a California limited liability company of which the Authority is the sole member and manager ("HACLA PDS LLC"), and authorize the Designated Officers to negotiate such changes as necessary in the attached draft documents, all as approved by in-house legal counsel and outside legal counsel.
- Regarding:** On August 22, 2019, the Board of Directors ("Board") of the Corporation by Resolution No. 2019-01, authorized execution of agreements for the purchase of a limited partnership interest in the AVHP Partnership, the current owner of Pueblo Del Sol Apartments, Phase 1. On October 31, 2019, the Board of the Corporation, by Resolution 2019-02, authorized the Corporation, as managing general partner of the AVHP Partnership, to enter a Redemption Agreement with Related/Aliso Development Co., LLC, its administrative general partner (the "AGP") and a distribution agreement with the Housing Authority of the City of Los Angeles (the "Authority"). The Authority has now resolved to act through HACLA PDS LLC, an affiliate of the Authority.
- Issues:** Pueblo Del Sol was originally developed by Related California and McCormack Baron & Associates, Inc., on a 34.3-acre former public housing site, known as Aliso Village Public Housing Community. Pueblo Del Sol Phase I (the "Project") and Phase II ("PDS-II") comprise the initial two rental phases of the Aliso Village Public Housing redevelopment: the Project comprising 201 units and PDS-II comprising 176 units. Both properties have completed their 15-year tax credit compliance period. The Authority has purchased the limited partner interests in both phases of the redevelopment and now serves as the sole limited partner of the AVHP Partnership.

The Authority has completed negotiations with Related CA for the syndication/rehabilitation of these two phases in a joint public/private

partnership. By Resolution 9536 the Authority approved the Disposition and Development Agreements for the Project, including a draft ground lease, acquisition loan documents and purchase and sale agreement.

The Authority has now approved an amendment to DDA to update specific deal terms; authorized an interim transfer of the Project, and assignment of Project documents, from the AVHP Partnership to HACLA PDS LLC (the "Interim Transfer"), and authorized the subsequent sale of the Project by HACLA PDS LLC to Pueblo del Sol I Housing Partners, L.P. ("PDS I Partnership") to implement the anticipated resyndication and other financing of the Project (the "Financial Closing").

#### Deal Structure

In order to ensure that the Corporation does not need to disaffiliate, to ensure the Authority receives 100% of sales proceeds, and to account for tax structuring purposes, the following mechanism will be utilized for conveyance of the Project: Prior to the Financial Closing, the AVHP Partnership, which includes the Authority as the limited partner, will distribute the rights, titles, and interest in the improvements on the property to HACLA PDS LLC pursuant to a distribution agreement. Just prior to this, the Related CA-affiliated entity that is the for-profit administrative general partner will exit the AVHP Partnership under a redemption agreement in order for the transfer of the Project to the PDS I Partnership to qualify for acquisition tax credits. After a short duration of approximately one week, at the Financial Closing, HACLA PDS LLC will sell the improvements to the PDS I Partnership at the appraised price. Simultaneously with this conveyance of the improvements to the PDS I Partnership, the ground lease between HACLA PDS LLC and the Authority will be terminated, and the Authority will enter into a new ground lease with PDS I Partnership.

The AVHP Partnership is structured with the Corporation acting as the managing general partner, the AGP acting as the Administrative General Partner, and the Authority acting as the limited partner. Currently, the ownership interests of AVHP Partnership are as follows: the Corporation has a 0.005% interest in the AVHP Partnership, the AGP has a 0.005% interest in the AVHP Partnership, and the Authority has a 99.99% interest in the AVHP Partnership.

#### Mixed Finance Documents

Development of the Project was partially financed with HOPE VI funds and syndicated in a mixed finance transaction in 2002 involving the execution of a mixed finance amendment to consolidated annual contributions contract, a declaration of trust and partial release of declaration of trust, an amended and restated ground lease, a memorandum of ground lease, a regulatory and operating agreement, AFR loan documents, zero interest loan documents, and a CTCAC regulatory agreement (the "Mixed Finance Documents"). Due to the timing of the recordation of a subdivision map and other factors, the legal description attached

to the Mixed Finance Documents no longer completely describe the real property underlying the Project.

Interim Transfer.

As part of the interim transfer, the AVHP Partnership along with HACLA PDS LLC will amend the Mixed Finance Documents to conform the legal description to the final legal description of the Property, pursuant to an amendment to Mixed Finance Amendment to Annual Contributions Contract executed by the Authority and HUD. As part of the interim transfer, the AVHP Partnership will also execute a grant deed to HACLA PDS LLC for the improvements, and will assign to HACLA PDS LLC all documents related to the Project, including but not limited to the ground lease, tenant leases and all contracts associated with the Project.

After the Interim Transfer and Financial Closing, the Corporation will work with Related CA to dissolve the AVHP Partnership which will have transferred its major asset, the Project, and will have served its purpose as owner of the mixed-finance project.

Key documents for the Interim Transfer are listed in the key document chart attached to this Board Report as Attachment 2.

**Funding:** The Chief Administrative Officer confirms the following:

*Source of Funds:* No additional funding will be provided by the Corporation or AVHP Partnership in connection with the Interim Transfer except for the cost of property and liability insurance for approximately one week before the Financial Closing and possible transfer tax upon the transfer of the Project from AVHP to HACLA PDS LLC. While staff will engage with the title company and the assessor further on this issue for transfer tax exemption, an amount should be budgeted as a contingent cost of approximately \$165,312. Funds are available from uncommitted Rent Subsidy proceeds.

*Budget and Program Impact:* The necessary funds to pay for these expenses will be made available and included in the corresponding HACLA budget year for FY2020.

**CEQA:** The Authority determined in November 2019 that the Project is exempt from the requirements of CEQA pursuant to the following Categorical Exemptions found in the Guidelines for CEQA, California Code of Regulations Title 14, and Chapter 3, each of which is independently sufficient to exempt the entire Project from CEQA. No further environmental review is required for the Authority's recommended actions because based on the project record there has been no change to the proposed rehabilitation or substantial changes in circumstances or new information that would warrant subsequent environmental analysis in accordance with CEQA, including but not limited to Public Resources Code section 21166 and State CEQA Guidelines sections 15162, 15163 and 15164.

**NEPA:** Pursuant to 24 CFR Part 58, the City of Los Angeles, through its Housing and Community Investment Department, served as the environmentally responsible

entity for the Project and determined that the Project is Categorically Excluded per 24 CFR 58.35(a), and subject to laws and authorities at 24 CFR 58.5.

**Section 3:** AVHP Partnership will comply with all Section 3 requirements imposed upon it by the Authority and will ensure that employment and other economic opportunities generated by the HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward qualified low and very low-income persons, and to business concerns which provide economic opportunities to low and very low-income persons and will comply with the implementing regulations at 24 CFR Part 135 or any applicable successor regulations, as well as the terms negotiated in the relevant agreements herein.

**Attachments:**

1. Resolution
2. Summary of Key Transaction Documents
3. Draft Transaction documents
  - a. Distribution Agreement
  - b. Mixed Finance Amendment to Consolidated Annual Contributions Contract

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING LA CIENEGA LOMOD, INC., IN ITS CAPACITY AS THE MANAGING GENERAL PARTNER OF ALISO VILLAGE HOUSING PARTNERS, L.P. ("AVHP PARTNERSHIP"), TO HAVE THE AVHP PARTNERSHIP ENTER INTO A REDEMPTION AGREEMENT WITH RELATED/ALISO DEVELOPMENT CO., LLC AND A DISTRIBUTION AGREEMENT WITH HACLA PDS LLC; EXECUTE DOCUMENTS REQUIRED FOR THE INTERIM TRANSFER OF THE MIXED-FINANCE PROJECT TO HACLA PDS LLC; AND UNDERTAKE VARIOUS ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, at a duly constituted meeting held on September 24, 2020, the following resolutions were adopted by the Board of Directors (the "Board") of La Cienega LOMOD, Inc., a California nonprofit public benefit corporation (the "Corporation"):

**WHEREAS**, the Corporation is the managing general partner of Aliso Village Housing Partners, L.P., a California limited liability company (the "AVHP Partnership");

**WHEREAS**, in this resolution, when it states that the AVHP Partnership shall act, the Board is authorizing such action on behalf of the Corporation, as the managing general partner of the AVHP Partnership, and deems such action to be in the best interest of the AVHP Partnership;

**WHEREAS**, Pueblo Del Sol Apartments, Phase I (the "Project") and Phase II, a public housing redevelopment project, was developed on a 34.3-acre site, formerly known as Aliso Village Public Housing Community, located in the Boyle Heights neighborhood east of downtown Los Angeles, and it is anticipated that the Project will be re-syndicated, rehabilitated, and converted through the Rental Assistance Demonstration Program ("RAD Program") administered by the U.S. Department of Housing and Urban Development ("HUD"), and close of escrow on the Project (the "the Financial Closing") is expected to occur shortly;

**WHEREAS**, the Housing Authority of the City of Los Angeles, a public body, corporate and politic ("Authority") is the fee owner of the real property underlying the Project (the "Property"), and the AVHP Partnership is the owner of a leasehold interest on the Property and a fee interest on the improvements on the Property (the "Improvements");

**WHEREAS**, the AVHP Partnership desires to enter into a redemption agreement with Related/Aliso Development Co., LLC, the administrative general partner of the AVHP Partnership, pursuant to which the administrative general partner of the AVHP Partnership will exit the AVHP Partnership (the "Redemption Agreement");

**WHEREAS**, the AVHP Partnership desires to enter into a distribution agreement (the "Distribution Agreement") pursuant to which the AVHP Partnership will convey a leasehold interest in the Property and a fee interest in the Improvements to HACLA PDS LLC, a California limited liability company of which the Authority is the sole member (the "HACLA LLC"), the close of escrow for which (the "Interim Transfer") is anticipated to occur approximately one week before the Financial Closing;

**WHEREAS**, development of the Project was partially financed with HOPE VI funds and syndicated in a mixed finance transaction in 2002 involving the execution of a mixed finance amendment to the consolidated annual contributions contract, a declaration of trust and partial release of declaration of trust, an amended and restated ground lease, a memorandum of ground lease, a regulatory and operating agreement, AFR loan documents, zero interest loan documents, and a CTCAC regulatory agreement (collectively, the "Mixed Finance Documents");

**WHEREAS**, due to the timing of the recordation of a subdivision map and other factors, the legal description attached to the Mixed Finance Documents no longer completely describes the real property underlying the Project (the "Property") and the AVHP Partnership desires in the Interim Transfer documents to amend certain Mixed Finance Documents to conform the legal descriptions to the final legal description of the Property;

**WHEREAS**, the AVHP Partnership desires also to enter into any and conveyance documents necessary to convey to the HACLA LLC a leasehold interest in the Property and fee interest in the Improvements at the Interim Transfer, and enter into any and all agreements necessary to assign to the HACLA LLC all rights, interests, and obligations related to the Project, including but not limited to a grant deed, an amendment to the mixed finance amendment to the consolidated annual contributions contract, and assignments, assumptions, and/or amendments of declaration of trust and partial release of declaration of trust, amended and restated ground lease, memorandum of ground lease, regulatory and operating agreement, AFR loan documents, zero interest loan documents, CTCAC regulatory agreement assignment, and project documents such as the management contract, management plan, services agreements, and tenant lease (collectively, the "Interim Transfer Documents");

**WHEREAS**, after the transfer of the Project from the AVHP Partnership to HACLA LLC and the subsequent transfer to Pueblo del Sol I Housing Partners, L.P. upon the conclusion of the Financial Closing, the Corporation as the managing general partner of the AVHP Partnership, with the assistance of The Related Companies of California as the sole member of the former administrative general partner, will wind up and dissolve the AVHP Partnership, whose purpose as owner of the Project as a mixed-finance project shall have been completed; and

**WHEREAS**, the AVHP Partnership desires to execute any and all documents as may be necessary to complete such dissolution (the "AVHP Dissolution Documents").

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby authorizes each Designated Officer, as specified below, or his/her designee, to execute the Redemption Agreement, the Distribution Agreement, the Interim Transfer Documents, and the AVHP Dissolution Documents, and to execute such other documents and take such other actions as may be contemplated in this Resolution, including but not limited to any additional agreements, documents, instruments or amendments, as approved by legal counsel, and authorizes any Designated Officer or his/her designee to execute such other documents and take any and all other such actions as may be contemplated by this Resolution or any previous resolution of the AVHP Partnership, as approved by legal counsel, as such Designated Officer may deem necessary or appropriate, and to address any issues arising with respect to the foregoing subsequent to the Financial Closing.

**BE IT FURTHER RESOLVED** that all actions taken by the Designated Officers and the other officers and agents of the Corporation with respect to the foregoing are hereby approved, confirmed and ratified.

**BE IT FURTHER RESOLVED** that the "Designated Officers" of the Corporation referred to herein are as follows:

<b>Name</b>	<b>Title</b>
Tina Smith-Booth	President
Patricia Kataura	Treasurer
Lisette Belon	Secretary

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately.



APPROVED AS TO FORM:  
JAMES JOHNSON

LA CIENEGA LOMOD, INC.

BY: \_\_\_\_\_  
GENERAL COUNSEL

BY: \_\_\_\_\_  
CHAIR

DATE ADOPTED: \_\_\_\_\_

**ALISO VILLAGE HOUSING PARTNERS, L.P.  
BOARD MEETING DOCUMENTS  
PUEBLO DEL SOL I**

TAB	DOCUMENT/ ITEM	SIGNATORIES	RECORDABLE	DESCRIPTION
1.	Redemption Agreement	Aliso Village Housing Partners, L.P., Related/Aliso Development Co., LLC, La Cienega LOMOD, Inc.	No	This agreement provides for the exit of Related/Aliso Development Co., LLC from Aliso Village Housing Partners, L.P. ("AVHP Partnership"). Related/Aliso Development Co., LLC currently serves as the administrative general partner of AVHP Partnership.
2.	Distribution Agreement	Aliso Village Housing Partners, L.P., HACLA PDS LLC	No	This Agreement provides for the Interim Transfer. More specifically, it provides for the distribution of the AVHP Partnership's interest in the project, from AVHP Partnership to HACLA PDS LLC. Such interest includes a leasehold interest in the property and a fee interest in the improvements on the property. It is pursuant to this document that AVHP Partnership will execute a grant deed to HACLA PDS LLC for the improvements and assign the existing amended and restated ground lease, TCAC regulatory agreement, and other documents pertaining to the project.
3.	Grant Deed	Aliso Village Housing Partners, L.P.	Yes	Conveyance document through which AVHP Partnership conveys to HACLA PDS LLC a fee interest in the improvements on the property
4.	Assignments, Assumptions, and/or Amendments	Varies by document, and includes HACLA, HACLA PDS LLC, HUD, Aliso Village Housing Partners, L.P., and Housing Promise Corporation	Yes	In the Interim Transfer, AVHP Partnership will assign a number of project related documents to HACLA PDS LLC, and HACLA PDS LLC will assume these documents. This assignment and assumption is accomplished by execution of assignments, assumptions, and amendments of declaration of trust and partial release of prior declaration of trust, regulatory and operating agreement, amended and restated ground lease and memorandum of lease, AFR loan documents, zero interest loan documents, and TCAC regulatory agreement.  AVHP Partnership will also assign to HACLA PDS LLC a number of project documents such as the management contract, management plan, services agreements, and tenant lease



**DISTRIBUTION AGREEMENT  
(Pueblo del Sol I)**

This Distribution Agreement (this "**Agreement**") is made and entered into as of October \_\_\_\_, 2020, by and between ALISO VILLAGE HOUSING PARTNERS, L.P., a California limited partnership (the "**Partnership**"), and HACLA PDS LLC, a California limited liability company ("**HACLA LLC**" and together with the Partnership, the "**Parties**"), with reference to the following recitals of fact:

**R E C I T A L S**

A. Pursuant to that certain Agreement for Purchase of Limited Partnership Interest and Other Assets dated as of September 18, 2019, the Housing Authority of the City of Los Angeles, a public body, corporate and politic, the sole member of HACLA LLC ("**Sole Member**") as of November 14, 2019 acquired a 99.99% limited partner interest in and became the sole limited partner of the Partnership;

B. Pursuant to that certain Redemption Agreement, executed concurrently with this Agreement, between the Partnership and Related/Aliso Development Co., LLC, as administrative general partner (the "**AGP**"), the Partnership intends to redeem the general partner interest of the AGP, upon which La Cienega LOMOD, Inc., the managing general partner of the Partnership, shall become the sole general partner of the Partnership;

C. Sole Member owns the fee interest in the land (the "**Land**") underlying the mixed-finance housing development known as Pueblo del Sol Phase I, and is the ground lessor under a ground lease to the Partnership (the "**Ground Lease**");

D. Subject to the Ground Lease, the Partnership owns a leasehold interest in the Land and a fee interest in the improvements located in Pueblo del Sol Phase I, which leasehold interest and improvements are more fully described in **EXHIBIT A** attached hereto and incorporated herein by reference (collectively, the "**Apartment Development**");

E. The Partnership desires to distribute (the "**Distribution**") all of the following property to HACLA LLC (collectively, the "**Property**");

i. Partnership's right, title and interest in the ground leasehold estate in the Land pursuant to the Ground Lease and any right, title and interest in any sublease of adjacent land as described in the DDA, as defined below (the "**Sublease**"), as applicable;

ii. all right, title and interest of Partnership in and to all buildings, structures, parking areas, sidewalks, landscaping and other improvements located on the Land (collectively, the "**Improvements**");

iii. all right, title and interest of Partnership in and to all furniture, fixtures, equipment, machinery, building materials, supplies, inventory and other tangible property owned by Partnership and located on the Land (collectively, "**Personalty**");

iv. all right, title, interest and estate of Partnership in, to and under all leases and rental agreements permitting occupancy or use of any apartment unit or other space in the Improvements (collectively, "**Leases**"), including unapplied refundable security deposits plus any

interest earned thereon to the extent required to be maintained by applicable law; all guaranties of Leases, if any; and all rents due under Leases (collectively, "**Rents**") allocable to the period after the Distribution Close of Escrow;

v. all right, title and interest of Partnership in and to (a) all transferable permits, licenses, approvals, utility rights, development rights and similar rights related to the Property, if any, whether granted by governmental authorities or private persons, (b) all telephone numbers now serving the Apartment Development, (c) all assignable warranties and guaranties covering all or any part of the Property, (d) the names "Aliso Village," and "Pueblo del Sol" (collectively, the "**Intangibles**"), and (e) all Service Contracts, as defined below;

vi. all agreements, documents and recorded restrictions executed with or subject to the approval of the U.S. Department of Housing and Urban Development ("**HUD Documents**");

vii. the Regulatory Agreement with the California Tax Credit Allocation Committee (the "**TCAC Agreement**"), the Low-Income Housing Tax Credit Application, the Tax Exempt Reservation Letter, and the initial Internal Revenue Service Form 8609 for each building in the Apartment Development (collectively, the "**Tax Credit Documents**"); and

viii. all tenant files and other tenant records for any period from and after the placed in service date of the Apartment Development (the "**Tenant Records**", and collectively with the Tax Credit Documents, the "**Records**").

ix. As used herein, "**Service Contracts**" means all contracts to which Partnership is a party relating to the operation, maintenance or management of the Property, including any agreements for electric, gas, telephone, cable television, security alarm monitoring, sewer, trash collection or similar services, supply contracts, leasing brokerage agreements, and insurance which the Partnership and HACLA LLC shall have agreed will be assigned to HACLA LLC under this Agreement.

F. The transfer of the Property contemplated by this Agreement is referred to in this Agreement as the "Transaction."

NOW, THEREFORE, with respect to the foregoing recitals, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

## **A G R E E M E N T**

1. Incorporation of Recitals. The foregoing recitals shall be a part of this Agreement and are hereby fully incorporated herein.

2. Distribution Date. The "**Distribution Date**" shall mean the date upon which the Distribution occurs after the fulfillment or waiver of the Distribution Conditions, as defined below.

3. Mutual Conditions Precedent to Distribution: The following are conditions precedent to the obligations of both Parties to effectuate the Distribution (collectively, the "**Distribution Conditions**");

(a) The written approval of HUD, the Authority and Aliso Village Housing Corporation, as parties to the financing and regulatory documents recorded against the Project, TCAC, and if applicable, LAUSD (collectively, the "**Approvals**") shall have been obtained; and

(b) The Redemption of the AGP partnership interest shall have occurred under the Redemption Agreement and the Partnership shall have filed an LP-2 with the California Secretary of State.

(c) All conditions to Closing (as defined in the DDA) set forth in Article 3 of that certain Disposition and Development Agreement dated November 13, 2019 executed by the Authority and Pueblo del Sol I Housing Partners, L.P. (the "**DDA**") shall have been satisfied or waived in writing, except for the deposit into escrow of funds required for the Closing and the recordation of documents to be recorded upon the Closing.

The conditions set forth in this Section 3 shall be satisfied by the Distribution Date or such other dates as may be agreed upon by the Parties, unless both Parties waive the condition in writing. In the event a Distribution Condition does not occur by such date, then the Partnership or HACLA LLC may terminate this Agreement upon written notice to the other party without further liability under this Agreement.

4. Conditions to HACLA LLC Obligation to Accept Distribution. In addition to the foregoing mutual conditions precedent to the Distribution, the following are conditions precedent to HACLA LLC's obligation to accept the Distribution of the Property and close escrow thereon:

(a) Property Condition. There shall have been no material adverse change in the condition of the Property or discovery of a physical condition that would materially adversely interfere with the purpose of the Distribution.

(b) Title Insurance. The Title Company, as defined below, is prepared to issue to HACLA LLC all title insurance reasonably required by HACLA LLC.

(c) Insurance. HACLA LLC, or its affiliate if required, shall have a commitment for such property, liability or other insurance as it may reasonably require as owner of the Apartment Development.

The conditions set forth in this Section 4 shall be satisfied by the Distribution Date or such other dates as may be agreed upon by the Parties, unless HACLA LLC waives the condition in writing. In the event a Distribution Condition does not occur by such date, then may terminate this Agreement upon written notice to the Partnership without further liability under this Agreement.

5. Property Distribution. On the Distribution Date and subject to the Distribution Conditions, the Partnership desires to distribute the Property to HACLA LLC, and HACLA LLC desires to accept the Property. The distribution of the Property will be completed through an escrow ("**Escrow**") to be opened with Fidelity National Title Insurance Company ("**Title Company** or "**Escrow Agent**").

(a) Partnership Deliveries. Partnership will deposit with the Escrow Agent the following items (collectively, the "**Partnership Documents**"):

(i) an assignment and assumption of lease, conveying to HACLA LLC, or affiliate, if required, a ground leasehold estate in the Land pursuant to the Ground Lease and in any adjacent sublease;

(ii) a grant deed, executed and acknowledged by Partnership, conveying to HACLA LLC fee simple title to the Improvements;

(iii) a bill of sale, executed by Partnership, conveying the Personality to HACLA LLC free of any liens or encumbrances;

(iv) an assignment of leases and rents, executed and acknowledged by Partnership, conveying to HACLA LLC all right, title, interest and estate of Partnership in, to and under all Leases and all Rents;

(v) an assignment, executed by Partnership, conveying to HACLA LLC all right, title and interest of Partnership in, to and under the Intangibles and Service Contracts (the "**Assignment of Service Contracts**");

(vi) such documents as may be required by HUD in connection with the HUD Documents and/or the Approvals;

(vii) an executed and acknowledged assignment and assumption agreement approved by TCAC that assigns the TCAC Agreement to HACLA LLC;

(viii) an affidavit, dated the date of Distribution Close of Escrow and executed by an appropriate representative of Partnership under penalty of perjury, stating that Partnership is not a person with respect to whom withholding is required under Section 1445 of the Internal Revenue Code; and

(ix) such documents as Escrow Agent may reasonably require to establish the authority of Partnership to complete the Transaction.

(b) HACLA LLC's Deliveries. HACLA LLC will deposit with the Escrow Agent the following:

(i) such documents as may be required by HUD in connection with the HUD Documents and/or the Approvals;

(ii) an executed and acknowledged assignment and assumption agreement approved by TCAC that assigns the TCAC Agreement;

(iii) an assumption agreement, executed by HACLA LLC, assuming Partnership's obligations under the Leases;

(iv) an executed counterpart of the Assignment of Service Contracts;

(v) such documents as the Escrow Agent may reasonably require to establish the authority of HACLA LLC to complete the Transaction.

6. Representations and Warranties. In order to induce HACLA LLC to enter into this Agreement and to complete the Transaction, Partnership represents and warrants to HACLA LLC that, as of the Distribution Close of Escrow:

(1) Partnership is a limited partnership duly organized and validly existing under the laws of the State of California. Partnership is the owner of a leasehold interest in the Land and fee title to the Improvements. Subject to the Approvals, Partnership has the authority and power to enter into this Agreement, to perform its obligations under this Agreement and to complete the Transaction as contemplated by this Agreement. Subject to the Approvals, Partnership has taken all action necessary to authorize the execution and delivery of this Agreement, the performance by Partnership of its obligations under this Agreement and the completion of the Transaction as contemplated by this Agreement;

(2) Subject to the Approvals, this Agreement has been duly executed and delivered by Partnership and constitutes a valid, binding and enforceable obligation of Partnership, subject to bankruptcy and other debtor relief laws and principles of equity;

(3) Subject to the Approvals, the execution and delivery of this Agreement by Partnership and the performance by Partnership of its obligations under this Agreement and the completion of the Transaction as contemplated by this Agreement will not result in (a) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which Partnership is party or by which Partnership or the Property is bound (except Service Contracts, as to which Partnership makes no representation or warranty), or (b) a violation of any law, ordinance, regulation or rule of any governmental authority applicable to Partnership or any judgment, order or decree of any court or governmental authority that is binding on Partnership;

(4) there is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of Partnership, threatened by or before any court or governmental authority (a) against or affecting the Property or arising out of the development, construction, financing, operation, leasing, maintenance or management of the Property or (b) that would prevent or hinder the performance by Partnership of its obligations under this Agreement or the completion of the Transaction as contemplated by this Agreement;

(5) Partnership has not received any written notice of any material default by Partnership under any Service Contract. As of the Distribution Date, there are no Service Contracts other than those listed on the assignment of Service Contracts included in the Partnership Documents;

(6) Except as set forth in the tax bills for the Property, Partnership has received no written notice of any additional special assessments of any kind being levied against all or part of the Property after Closing;

(7) Partnership is not a foreign person, corporation, partnership, trust or estate for purposes of Section 1445 of the Internal Revenue Code; and

(8) except for the Approvals, consents required under Service Contracts as set forth in the Assignment of Service Contracts and consents or notices required by the agreements listed on **EXHIBIT B**, attached hereto, and approvals, authorizations and filings already completed, Partnership is not required to obtain any consent, approval or authorization from, or to make any filing with, any person (including any governmental authority) in connection with, or as a condition to, the execution and delivery of this Agreement, the performance by Partnership

of its obligations under this Agreement or the completion of the Transaction as contemplated by this Agreement.

7. Indemnification. The Partnership shall defend, indemnify, and hold harmless the Authority, its commissioners, directors, officers, employees, agents, instrumentalities and affiliates from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all liens, claims, suits, and demands therefor (collectively, the "Claims"), arising out of or resulting from the Transaction under this Agreement, except that this indemnity shall not apply to any Claims (a) caused by the gross negligence or willful misconduct of HACLA LLC. The provisions of this Section 7 shall survive and remain in full force and effect notwithstanding the expiration or early termination of this Agreement.

8. Casualty and Condemnation.

(A) Notice to HACLA LLC. Partnership will notify HACLA LLC within five (5) days after receiving notice of, or otherwise becoming aware of (1) any Casualty Loss (as defined below), or (2) the commencement of any proceedings for the taking by eminent domain of all or any part of the Property.

(B) Casualty Loss. If, prior to Distribution Close of Escrow, the Property is damaged by fire, windstorm, rioting or other civil disturbance, acts of war, earthquake or other casualty (a "Casualty Loss") and the cost to repair the related damage is more than five percent (5%) of the appraised value of the Apartment Development, then HACLA LLC, at its option, may terminate its obligation to complete the Transaction. If HACLA LLC elects to complete the Transaction notwithstanding a Casualty Loss, or if this Agreement requires HACLA LLC to purchase the Property despite a Casualty Loss, then Partnership will deliver to HACLA LLC at Distribution Close of Escrow, through Escrow, all insurance proceeds previously received by Partnership, an amount equal to the deductible under Partnership's insurance in respect of the damage and an assignment of Partnership's rights with respect to all uncollected insurance proceeds (in either case, net of proceeds of rental loss and business interruption insurance allocable to the period through the Distribution Date, amounts expended by Partnership to stabilize or repair the Property and costs incurred by Partnership in making proof of loss or settling claims with insurers), and Partnership will cooperate with HACLA LLC after Distribution Close of Escrow in making claim for, and collecting, all available insurance proceeds.

(C) Eminent Domain. If, prior to Distribution Close of Escrow, all or a part of the Property is taken by eminent domain or any proceedings for the taking by eminent domain of all or part of the Property is commenced, then HACLA LLC, at its option, may terminate its obligation to complete the Transaction. If HACLA LLC elects to complete the Transaction notwithstanding a taking by eminent domain or proceeding therefore, Partnership will deliver to HACLA LLC at Distribution Close of Escrow, through the closing escrow, all condemnation proceeds previously received by Partnership and an assignment of Partnership's rights with respect to all uncollected condemnation proceeds (in either case, net of proceeds allocable to loss of use of the Property for the period through the Distribution Date and costs incurred by Partnership in connection with such proceedings) and such documents as HACLA LLC may reasonably request to substitute itself for Partnership in any pending eminent domain proceedings.

9. Disclosures. HACLA LLC expressly acknowledges to Partnership that Partnership has complied with the disclosure requirements, if any, of California Government Code §§ 8589.3 (special flood hazard area), 8589.4 (dam failure inundation area), and 51183.5 (high fire severity

area) and California Public Resources Code §§ 2621.9 (earthquake fault zone), 2694 (seismic hazard zone) and 4136 (wildland fire area), regarding the possible presence of certain natural hazards. Partnership and HACLA LLC acknowledge and agree that the foregoing disclosures are made based on maps or other information that is provided by various governmental agencies.

10. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, representatives, successors and permitted assigns of the Parties hereto.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter of this Agreement and may not be amended or terminated except by a writing executed by both Parties to this Agreement.

12. Waiver. No party hereto shall be deemed to have waived any term or provision of this Agreement unless such waiver shall be in writing. The waiver of a term or provision of this Agreement by a party hereto on one occasion shall not constitute a continuing waiver thereof or a waiver as to other terms or provisions hereof.

13. Severability. The provisions of this Agreement shall be severable, and if any of them is held to be invalid or unenforceable for any reason, such provision shall be modified to the extent necessary to cure such invalidity. The invalidity or unenforceability of one provision shall not affect any other provision of this Agreement.

14. Governing Law. This Agreement and any disputes arising hereunder or in connection herewith shall be governed by the laws of the State of California without regard to choice of law principles.

15. Counterparts. This Agreement may be executed in any number of original counterparts. Any such counterpart, when executed, shall constitute an original of this Agreement, and all such counterparts together shall constitute one and the same Agreement.

16. Survival. All covenants, undertakings and obligations under this Agreement and all representations and warranties contained in this Agreement will survive the Distribution Close of Escrow and will not be merged into the grant deed or other documents delivered pursuant to this Agreement.

17. Attorneys' Fees. In the event that any action, suit or proceeding is brought for the enforcement of, or the declaration of, any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, each party shall bear its own costs and expenses, including attorneys' fees, and any judgment or decree rendered in such a proceeding shall not include an award thereof.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly executed on the day first above written.

ALISO VILLAGE HOUSING PARTNERS, L.P.,  
a California limited partnership

By: LA CIENEGA LOMOD, INC., a California nonprofit corporation,  
its managing general partner

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[remainder of page intentionally left blank]



HACLA LLC:

HACLA PDS LLC, A California limited liability company

By: The Housing Authority of the City of Los Angeles, a public body, corporate and politic,  
its sole member

By: \_\_\_\_\_  
Douglas Guthrie  
President and Chief Executive Officer

APPROVED AS TO FORM:

By: \_\_\_\_\_  
\_\_\_\_\_  
Authority Counsel

APPROVED AS TO FORM AND LEGALITY:

GOLDFARB & LIPMAN LLP,  
Authority Special Counsel

By: \_\_\_\_\_  
Michelle Brewer, Esq.

[end of signatures]

EXHIBIT A

Legal Description of the Property

EXHIBIT B

List of Agreements and Service Contracts

**AMENDMENT TO MIXED-FINANCE AMENDMENT  
TO CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT  
(Aliso Village-Phase I)**

This AMENDMENT TO MIXED-FINANCE AMENDMENT TO CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT (the "**Amendment**") is dated and issued as of the last date of execution below, by and between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic (the "**Authority**") and the UNITED STATES OF AMERICA, acting by and through the Secretary of the United States Department of Housing and Urban Development ("**HUD**").

A. Pursuant to the United States Housing Act of 1937, as amended (the "**Housing Act**"), any successor legislation, the Authority and HUD have entered into the Consolidated Annual Contributions Contract ("**ACC**") number SF-345, dated February 25, 2002, as Amendment Number 99. Thereafter, HUD and the Authority executed that certain Mixed-Finance Amendment to the ACC, with a HUD issuance date of March 7, 2002 (the "**2002 ACC Amendment**"), for purposes of financing and developing property then known as Aliso Village, Phase I, located in Los Angeles, California (the "**Property**").

B. The Authority requested HUD's approval to transfer all right, title, and interest in the leasehold interest in the Property and fee interest in the improvements on the Property (the "**Project**") from the Owner Entity (as defined in the 2002 ACC Amendment) to HACLA PDS LLC, a California limited liability company, whose sole member is the Authority (the "**Interim Owner Entity**"). Following the transfer of the Project to the Interim Owner Entity (the "**Interim Transfer**"), the Authority shall continue to own the land pursuant to the Ground Lease (as defined in that certain Declaration of Trust and Partial Release of Prior Declaration of Trust - Aliso Village Apartments - Phase I Rental recorded in the Official Records of the County of Los Angeles under Instrument Number 2002-0616754). Following the Interim Transfer, the Interim Owner Entity intends to convert the Project under the Rental Assistance Demonstration ("**RAD**") program by transferring it to a new limited partnership, which transfer and conversion shall be subject to a separate HUD approval process under the RAD program.

C. HUD has authorized the Interim Transfer in accordance with that certain letter from \_\_\_\_\_ to \_\_\_\_\_ re Transfer of Ownership, Aliso Village Phase I, CA004000222, dated \_\_\_\_\_, 2020.

D. HUD and the Authority now desire to amend the 2002 ACC Amendment with this Amendment to, among other things, reflect the changes necessitated by and resulting from the Interim Transfer.

NOW, THEREFORE, in consideration of the mutual promises of the parties and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that, for so long as the Interim Owner is the sole owner of the Project, the 2002 ACC Amendment is amended as follows:

1. **Exhibits to 2002 Amendment.** Exhibit A, Exhibit B, and Exhibit E to the 2002 ACC Amendment are amended by the corresponding Exhibit A-1, Exhibit B-1 and Exhibit E-1 attached hereto.

2. **Termination of Amendment.** This Amendment shall be valid only for such period of time as the Interim Owner Entity is the sole owner of the Property.

3. **Miscellaneous.** Except as provided herein, all other terms of the 2002 ACC Amendment remain in full force and effect. All references in the 2002 Amendment to 24 CFR 941 are amended to refer to 24 CFR 905 and all references to 24 CFR [88.25] are amended to 24 CFR part 200. In the event of any conflict between the terms of this Amendment and the terms of the 2002 ACC Amendment, the terms of this Amendment shall control.

[Signatures on Following Page]

The Parties have executed this Amendment as of the dates set forth below.

**HOUSING AUTHORITY OF THE CITY OF LOS ANGELES,**  
a public body, corporate and politic

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

Date: \_\_\_\_\_

**UNITED STATES OF AMERICA, acting by and through the  
Secretary of the United States Department of Housing and  
Urban Development**

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

Date: \_\_\_\_\_

**Exhibit A-1**

**Participating Parties**

<b><u>Party</u></b>	<b><u>Role</u></b>
1. Housing Authority of the City of Los Angeles	Current Fee Owner; Sole Member of Interim Owner Entity
2. HACLA PDS LLC	Interim Owner Entity

[Remainder of page intentionally blank]

## Exhibit B-1

### Project Description

The Housing Authority of the City of Los Angeles (the "**Authority**") is the limited partner in Aliso Village Housing Partners, L.P. (the "**Transferor**"). The Transferor has been the owner of a low-income rental housing project originally known as Aliso Village Phase I (now known as Pueblo del Sol Phase I), located in Los Angeles, California (the "**Project**"). The Authority remains the owner of the land on which the Project is located and continues to ground lease the land to Transferor (the "**Ground Lease**"). The Authority acquired the limited partner interest in Transferor in November 2019, after the end of the low-income housing tax credit compliance period.

The Project is the subject of a HUD Mixed-Finance Approval Letter dated March [\_\_\_], 2002 (the "**Approval Letter**"), and that certain Mixed-Finance Amendment to the Annual Contributions Contract dated March 7, 2002 (the "**2002 ACC Amendment**"). The Project is also encumbered by a certain Declaration of Trust and Partial Release of Prior Declaration of Trust recorded on March 14, 2002 in the Official Records of the County of Los Angeles under Instrument No. 2002-0616754 (the "**DOT**") as well as that certain Regulatory and Operating Agreement dated as of March 1, 2002, as amended by that certain amendment dated September 24, 2003 (the "**R&O**").

The Transferor will be transferring the Project to the HACLA PDS LLC, a limited liability company having the Authority as the sole member ("**HACLA LLC**") as a "distribution of assets" under the limited partnership agreement, for no consideration. This "interim transfer" is occurring so that the Authority will be the seller of the Project in a planned subsequent sale to a new limited partnership and thereby realize certain tax and other benefits. HACLA LLC shall continue to be subject to the DOT, the R&O, the Ground Lease and the 2002 ACC Amendment (as amended by this Amendment.) The foregoing documents and the existing financing documents will be transferred to HACLA LLC under the Assignment, Assumption and Amendment agreements listed on Exhibit E-1.

The DOT, R&O, Ground Lease and financing documents are being amended solely to conform the legal description of the Project site to the legal description that currently exists. At the March 2002 closing of the Project, the site was described by a survey legal description. Following the closing, a subdivision map was recorded which changed the property lines and legal description such that the prior Declarations of Trust remain unreleased on areas of the Property. The amended legal descriptions will conform the recorded evidentiaries to the current property lines and release the remaining prior Declarations of Trust.



The transfer will not involve any new financing and the Project's management company (McCormack Baron Management) will not change as a result of the transfer. Project reserves will be transferred to HACLA LLC.

After the Project has been transferred to HACLA LLC for a short period, HACLA LLC intends to complete a conversion of the Project under the Rental Assistance Demonstration program.

## **Exhibit E-1**

### **Evidentiary Materials**

1. Assignment, Assumption and Amendment of Declaration of Trust and Partial Release of Prior Declaration of Trust
2. Assignment, Assumption and Amendment of Regulatory and Operating Agreement
3. Assignment, Assumption and Amendment of Amended and Restated Ground Lease and Memorandum of Lease
4. Assignment, Assumption and Amendment of AFR Loan Documents
5. Assignment, Assumption and Amendment of Zero Interest Loan Documents