

INDEMNIFICATION AGREEMENT

By and Between

CITY OF LOS ANGELES

And

META HOUSING CORPORATION

INFILL INFRASTRUCTURE GRANT INDEMNIFICATION AGREEMENT

This Agreement is entered into as of September ___, 2021, between the City of Los Angeles, a municipal corporation, by Los Angeles Housing Department("City"),and META Housing Corporation, a California corporation ("Developer")(collectively, the "Parties"), to provide for mutual indemnification of each Party in connection with the application for Infill Infrastructure Grant(IIG)Program funding for an Affordable Housing Development project located at 619 S. Westlake Ave (more fully described in Exhibit B attached hereto and incorporated herein by this reference ("Project."))

RECITALS

A. The City wishes to promote construction of affordable housing for lower income households and sustainable communities within the City of Los Angeles;

B. The State of California created the Infill Infrastructure Grant Program("IIG") Program to further the purpose of the program is to provide grants for Capital Improvement Projects in support of Qualifying Infill Projects. Funding for this NOFA and program requirements are provided under Assembly Bill 101 (Stats. 2019, ch. 159, § 20) and Part 12.5 (commencing with section 53559) of Division 31 of the Health and Safety Code;

C. The IIG Program is administered by the Department of Housing and Community Development ("Department") ;

D. The IIG Program will provide grants to projects selected through a competitive process, based on the merits of applications submitted and the proposed use of funds within the identified Project area. The financial assistance from the IIG Program shall be in the form of a grant ("IIG Funds") to the developer, and shall be evidenced by a Standard Agreement("IIG Agreement"). The IIG Funds awarded in the form of a grant will be provided to the Developer for the work involving the infill development of new construction further outlined in the corresponding Scope of Work attached hereto and incorporated herein by reference as Exhibit A (the "Developer's Scope of Work").

E. The Parties hereto wish to enter into this Agreement pursuant to which the City agreed to execute the IIG Agreement as the Developer's co-signor for the Project. The project will be constructed as 78 units of affordable housing, of which a total of Seventy Eight (78) units will be affordable, as specifically provided in the various regulatory agreements and covenants (the "Project"). The Project will include the Developer's Scope of Work.

NOW, THEREFORE, in consideration of the mutual agreements, obligations,

and representations, and in further consideration for becoming a co-signor for the IIG Agreement and a joint applicant for the IIG Program funding for the Project,, City and Developer hereby agree as follows:

1. DEFINITIONS.

- a. Accessibility Covenants. The Accessibility Covenants attached to this Agreement as Exhibit B, which describes the obligations of the Developer regarding the accessibility of the Project.
- b. Applicant. The City and/or the Developer.
- c. Developer. An entity responsible for the completion of the Affordable Housing Project (AHD), and the Housing Related Infrastructure (HRI).

2. Reserved.

3. IMPLEMENTATION SCHEDULE. The Developer agrees to complete the milestone tasks with respect to the Developer's Scope of Work described in the Performance Milestones within the timeframes provided in the Standard Agreement.

4. DEVELOPER'S DUTY TO THE CITY. In consideration of the City's agreement to co-sign the Standard Agreement, effective upon an award and acceptance of IIG Funds for the Project, the Developer shall, in its sole responsibility, have a duty to the City to carry out through completion the administration, operation and/or construction of all of the Developer's Scope of Work and any IIG-funded activities with respect to the Project according to IIG Program and award requirements, and in conformity with all applicable federal, state, and city laws, to the extent they may apply and as they may be amended from time to time. Any material breach by the Developer of its duty under the IIG documents and the Department's Standard Agreement, Disbursement Agreement and Covenant, and other IIG Program agreements relating to the IIG funds for the Project as well as the Developer's duty to the City to carry out through completion the administration, operation and/or construction of the Developer's Scope of Work and related activities constitutes a breach of this Agreement with the City.

6. INDEMNIFICATION.

- a. Developer Indemnity.

In consideration of the City becoming a signor to the Standard Agreement, except for the gross negligence, fraud, active negligence or willful misconduct of the City, or any of its boards, officers, agents, employees, assigns and successors in interest, Developer undertakes and agrees to defend, indemnify and hold harmless the City and any of its Boards, officers, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including Developer's employees and agents, or damage or destruction

of any property of either party hereto or of third parties, arising in any manner by reason of any material breach by the Developer of its duty under the IIG documents and the Standard Agreement, Disbursement Agreement and Covenant, and other IIG Program agreements relating to the Project and/or of the negligent acts, errors, omissions or willful misconduct incident to the performance of IIG funded activities as described in Exhibit A under this Agreement by Developer or its subcontractors of any tier. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the City.

b. City Indemnity.

In consideration of the Developer becoming a co-signor to the Standard Agreement, except for the gross negligence, fraud, active negligence or willful misconduct of the Developer, or any of its boards, officers, agents, employees, assigns and successors in interest, City undertakes and agrees to defend, indemnify and hold harmless the Developer and any of its affiliates, partners, officers, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the Developer, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including Developer's employees and agents, or damage or destruction of any property of either party hereto, or of third parties, arising in any manner by reason of any material breach by the City of its duty under the IIG grant documents and the Standard Agreement, Disbursement Agreement and Covenant, and other IIG Program agreements relating to the Project and/or the negligent acts, errors, omissions or willful misconduct incident to the performance of the construction of IIG funded activities as outlined in Exhibit A under this Agreement by the City or City subcontractors of any tier. Rights and remedies available to the Developer under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the City.

- 8. INTELLECTUAL PROPERTY INDEMNIFICATION.** Developer, at its own expense, undertakes and agrees to defend, indemnify, and hold harmless the City, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of reasonable litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright,

trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by Developer, or its subcontractors of any tier, in performing the work under this Contract; or (2) as a result of the City's actual or intended use of any Work Product furnished by Developer, or its subcontractors of any tier, under the Agreement. Rights and remedies available to the CITY under this provision are cumulative of those provided for elsewhere in this Agreement and those allowed under the laws of the United States, the State of California, and the City.

9. INTELLECTUAL PROPERTY WARRANTY. Developer represents and warrants that its performance of all obligations under this Agreement does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, rights of publicity and proprietary information.

10. INSURANCE REQUIREMENTS. Developer shall comply with the State's insurance requirements for all IIG funded activities on the Project, until completion of the funded activities. Upon the request of the City, prior to the signing of the Standard Agreement for the award and prior to the release of any funds, the awarded IIG Developer shall provide the City with proof of insurance via KwikComply (formerly Track4LA) at:

<http://kwikcomply.org>

11. APPLICABLE LAWS AND ACCESSIBILITY COMPLIANCE.

Developer shall cause all work performed in connection with construction of the Developer's Scope of Work to be performed in compliance with (a) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter (including, without limitation, the prevailing wage provisions of Sections 1770 et seq. of the California Labor Code), and applicable Davis Bacon wage regulations, if any, (b) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction, (c) all applicable disabled access requirements, and (d) all applicable City policies. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and the Developer shall be responsible for the procurement and maintenance thereof, as may be required of the Developer and all entities engaged in work on the Project.

a. Barriers to the Disabled

Developer shall ensure that the Property is developed, maintained, and operated in compliance with all applicable state, local and federal rules, laws and regulations related to accessibility and reasonable accommodations and modifications for persons with disabilities,

including but not limited to the Americans with Disabilities Act as amended, 42 USC §12101 et seq., and its implementing regulations at 28 CFR Parts 35 and 36 (ADA), Section 504 of the Rehabilitation Act of 1973, as amended, 29 USC 701 and the implementing regulations at 24 CFR Parts 8, the Fair Housing Act as amended, 42 U.S.C. 3601, et seq. and its implementing regulations at 24 CFR Parts 100, the Fair Employment and Housing Act, California Government Code Section 12926, Title 24 of the California Building Code, and any requirements of the City, and shall adopt and comply with the Accessibility Covenants, attached hereto as Exhibit B and incorporated herein by reference. Developer shall ensure that construction plans submitted for review by the City and/or City comply with all applicable requirements of law and that Developer's Scope of Work is carried out in conformity with approved plans.

Developer shall be responsible for the cost of any remediation to comply with any deficiencies. Developer hereby agrees to indemnify, defend and hold City and all City Representatives free and harmless against any and all Losses and Liabilities arising from its failure to construct and/or maintain the Improvements in accordance with all applicable disability access requirements.

b. ADA Certification. Developer hereby certifies as follows:

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

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

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

(iv) Developer shall require that the language of this Section 11. be included in the award documents for all sub-awards at all tiers (including subcontracts, and contracts under grants, loans and cooperative agreements) and that all subcontractors shall certify and disclose accordingly.

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

12. COST OVERRUNS. Developer shall be responsible for paying all costs required to complete the Affordable Housing Development irrespective of whether such costs exceed the IIG funding.

13. NOTICES. Formal notices, demands, and communications between the parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by

registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the parties as follows:

City: Los Angeles Housing Department
1200 W. 7th Street, 9th Floor
Los Angeles, CA 90017

Developer:
META Housing Corporation
11150 West Olympic Blvd., Suite 620
Los Angeles, CA 90064

14. EVENTS OF DEFAULT. The occurrence of any of the following events shall constitute an Event of Default under this Agreement:

- a. City or Developer fails to perform any of its obligations under this Agreement, and does not cure such failure within 30 days after written notice of such failure has been delivered to the defaulting party in accordance with Section 12 above; or
- b. City or Developer purports to revoke this Agreement or this Agreement becomes ineffective for any reason.

15. MATERIAL CHANGES AND MISREPRESENTATIONS.

Any changes in the composition of or regarding the borrowing entity, or changes to the project's design, including but not limited to, unit count, unit configuration, and/or financial structure of either the applicant or the project, made subsequent to the submittal of the IIG application, must receive City's advance review and written approval. City reserves the right to withdraw its commitment as joint applicant upon discovery of the above described changes made without such review and approval. Any misrepresentations to the City made by the borrowing entity regarding the borrowing entity or the project shall result in the withdrawal of City's commitment to act as joint applicant.

16. MISCELLANEOUS.

a. Nothing in this Agreement shall be construed to limit any claim or right which any party may otherwise have at any time against City or Developer, as applicable, or any other person arising from any source other than this Agreement, including any claim for fraud, misrepresentation, waste, or breach of contract other than this Agreement, and any rights of contribution or indemnity under any federal or state environmental law or any other applicable law, regulation, or ordinance.

b. If any party delays in exercising or fails to exercise any right or remedy against City or Developer, as applicable, that alone shall not be construed as a waiver of such right or remedy. All remedies of any

Developer Indemnified Party or City Indemnified Party against either City or Developer, as applicable, are cumulative.

c. This Agreement shall be binding upon and insure to the benefit of each of the Parties hereto and their respective representatives, heirs, executor, administrators, successors, and assigns. This Agreement may not be amended except by a written instrument executed by the Parties hereto.

d. This Agreement shall be deemed to have been delivered and accepted in the State of California and governed exclusively by the internal substantive laws of the State of California as the same may exist at the date hereof. The Parties hereto hereby agree that any action hereon between the Parties hereto and their successors in interest may be maintained in a court of competent jurisdiction located in the State of California, and consent to the jurisdiction of any such California court for the purposes connected herewith.

e. Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the Parties hereto.

17. GENERAL PROVISIONS.

a. Representations and Warranties.

i) Developer. Developer represents and warrants to the City as of the effective date of this Agreement ("Effective Date", as follows:

(1) Organization. Developer is a limited liability company, duly formed, validly existing and in good standing under the laws of the States of California and New Jersey, with full power and authority to conduct its business as presently conducted and to execute, deliver and perform its obligations

under this Agreement.

(2) Authorization. Developer has taken all necessary action to authorize its execution, delivery and, subject to any conditions set forth in this Agreement, performance of this Agreement. Upon the Effective Date, this Agreement shall constitute an obligation of the Developer.

(3) No Conflict. The execution, delivery and performance of this Agreement by Developer does not and will not conflict with, or constitute a violation or breach of, or constitute a default under (i) the charter or incorporation documents of Developer, (ii) any applicable law, rule or regulation binding upon or

applicable to Developer, or (iii) any material agreements to which Developer is a party.

(4) No Litigation. Unless otherwise disclosed in writing or otherwise known to the City prior to the date of this Agreement, there is no existing or, to Developer's actual knowledge, pending litigation, suit, action or proceeding before any court or administrative agency affecting Developer or the Property that would, if adversely determined, materially and adversely affect Developer or the Property or Developer's ability to perform its obligations under this Agreement or to develop and operate the Project.

(5) Default Under Other Agreements. There is no event, act or omission which constitute, or but for the passage of time or the giving of notice, or both, would constitute a breach, violation or default by Developer under any agreement materially related to the development or operation of the Project, including but not limited to any partnership agreement, joint venture agreement, or loan agreement executed by Developer that would materially and adversely affect Developer or the Property or Developer's ability to perform its obligations under this Agreement or to develop and operate the Project.

Until the expiration or earlier termination of this Agreement, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations not to be true, promptly give written notice of such fact or condition to the City. The representations and warranties contained shall be true for any transferee assuming the obligations of this Agreement as of the date of the Transfer.

(ii) The City. The City represents and warrants to Developer as of the Effective Date, as follows:

(1) Authorization. The City has taken all necessary action to authorize its execution, delivery and, subject to any conditions set forth in this Agreement, performance of this Agreement. Upon the effective Date, this Agreement shall constitute an obligation of the City.

(2) No Conflict. The execution, delivery and performance of this Agreement by the City does not and will not conflict with, or constitute a violation or breach of, or constitute a default under (i) the charter or incorporation documents of the City, (ii) any applicable law, rule or regulation binding

upon or applicable to the City, or (iii) any material agreements to which the City is a party.

(3) No Litigation. Unless otherwise disclosed in writing or otherwise known to Developer prior to the date of this Agreement, there is no existing or, to the City's actual knowledge, pending litigation, suit, action or proceeding before any court or administrative agency affecting the City that would, if adversely determined, materially and adversely affect the City's ability to perform its obligations under this Agreement.

(4) Notices Demands and Communications. Formal notices, demands, submittals, and communications between the City and Developer shall be sufficiently given if, and shall not be deemed given unless, delivered personally, or dispatched by certified mail, return receipt requested, or by reputable overnight delivery service with a receipt showing date of delivery, to the principal offices of the City and Developer as set forth above. Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail. Delivery shall be deemed to have occurred at the time indicated on the receipt for delivery or refusal of delivery.

b. Non-Liability of Officials, Employees and Agents. No member, official, employee, or agent of the City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Developer or on any obligation under the terms of this Agreement.

c. Enforced Delay. In addition to specific provisions of this Agreement, performance by any Party shall not be deemed to be in default where delays or defaults are due to war; insurrection; terrorist acts; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God or other deities; acts of the public enemy; epidemics; quarantine restrictions; moratoria, or other governmental restrictions; freight embargoes; the filing of a lawsuit challenging any governmental approval, the Maximum Hotel Incentive Amount, this Agreement, or Developer's, or the City's authority to perform their respective obligations hereunder (which shall be deemed to be a delay of the Parties); or court order; an act or omission of any Party; or any other similar causes (other than lack of funds of Developer or Developer's inability to finance the Project) beyond the reasonable control or without the fault of the Party claiming an extension of time to perform. An extension of time for any cause will be deemed granted if notice by the Party claiming such extension is sent to the other within thirty (30) days from the

commencement of the cause. In no event shall the cumulative delays exceed twenty-four (24) months, or the final IIG deadline, unless otherwise agreed to by the Parties in writing.

d. Inspection of Books and Records. Not more than once per year, the City has the right at all reasonable times during normal business hours and upon ten (10) Business Days prior written notice to inspect on a confidential basis the books, records and all other documentation of the Developer pertaining to its obligations under this Agreement. Not more than once per year, Developer also has the right at all reasonable times during normal business hours and upon ten (10) Business Days prior written notice to inspect the books, records and all other documentation of the City pertaining to its obligations under this Agreement.

18. **CITY STANDARD CONTRACT PROVISIONS.** Developer shall comply with all applicable provisions of the City's Standard Contract, with all the amendments. These provisions shall be identified in the agreement per section 7 of this Agreement to be executed by the Parties upon the award of funds from the IIG program.
19. **TERM.** Term of this Agreement would commence upon the execution of the Joint Application Agreement for the IIG program. This Agreement would terminate if the IIG Funds are not awarded under the Department's IIG Round 6 NOFA.
20. **WAIVER.** Any waiver by a Party of any obligation in this Agreement must be in writing. No waiver will be implied from any delay or failure by a Party to take action on any breach or default of Developer or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to a Party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under the Agreement. Consent by City to any act or omission by Developer shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for City's written consent to future waivers. A waiver of a default of any part, term or provision of this Agreement shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A Party's performance after the other party's default shall not be construed as a waiver of that default.
21. **INTEGRATED AGREEMENT.** This Agreement, including any attachments, set forth all of the rights and duties of the parties with respect to the subject matter hereof. The Agreement may be amended only as provided for herein.
22. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to Agreement must be in writing, and shall be made only if properly executed by both Developer and the City. No verbal agreement or conversation with any officer or employee of either party shall affect or modify any terms and conditions of this Agreement. The

Developer agrees to comply with all future City Directives or any rules, amendments or requirements promulgated by the City affecting this Agreement.

- 23. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT.** Each Party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City. This Agreement shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. Developer shall comply with new, amended, or revised laws, regulations, policies, and/or procedures that apply to the performance of this Agreement.
- 24. JURISDICTION AND VENUE.** In any action arising out of this Loan Agreement, Developer consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.
- 25. STATUTORY REFERENCES.** All references in the Agreement to particular statutes, regulations, ordinances, or resolutions of the United States, the State of California, or the City of Los Angeles shall be deemed to include the same statute, regulation, ordinance, or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject as the provision to which specific reference was made.
- 26. SEVERABILITY.** Every provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.
- 27. COUNTERPARTS.** This document may be executed in counterparts, and all counterparts together shall be construed as one document.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be executed by their duly authorized representatives.

City:

Executed this day of September , 2020

THE CITY OF LOS ANGELES
Los Angeles Housing Department

By: ANN SEWILL, General Manager

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: _____
Deputy City Attorney

Date: _____

ATTEST:

HOLLY WOLCOTT, City Clerk

By: Deputy City Clerk

Date: _____

DEVELOPER:

META Housing Corporation, a California Corporation

By:

Name: Kasey Burke

Title: President

Date: _____

By:

Name: George Russo

Title: Executive Vice President

Date: _____

Exhibit A

SCOPE OF WORK

619 Westlake is a 78-unit new construction project. Scope of work includes facilities to support bicycle rack, site clearance, grading prep and demo costs, sidewalk/streetscape improvements, storm drainage system, sewer service improvements and residential parking podium parking structure.

PERFORMANCE MILESTONES

Performance Milestone	Infrastructure Project	Housing Development
Executed binding agreement between the Recipient and developer of the proposed Housing Development detailing the terms and conditions of the Project development.	8/1/2019	8/1/2019
Site Control of Housing Development site(s) by proposed housing developer.	8/8/2019	8/8/2019
Completion of all necessary environmental clearances, including those required under CEQA and NEPA.	8/11/2020	8/11/2020
Obtaining all necessary and discretionary public land use approvals.	NA	
Obtaining all enforceable funding commitments for the Housing Development supported by the Infrastructure Project.	10/7/2021	10/7/2021
Obtaining all enforceable funding commitments for all construction period financing.	10/7/2021	10/7/2021
Obtaining enforceable commitments for all construction/permanent financing described in the Sources and Uses (as defined in Exhibit B to this Agreement) including substantially final construction/permanent loan documents, and Tax Credit syndication documents for remaining phases of Project.	10/7/2021	10/7/2021
Submission of Final Construction Drawings and Specifications to the appropriate local building department or permitting authority.	12/12/2019	12/12/2019
Commencement of construction.	10/8/2021	10/8/2021

Construction complete and the filing of the Certificate of occupancy	4/15/2023	4/15/2023
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Exhibit B

ACCESSIBILITY COVENANTS

The Accessibility Covenants (the “Covenants”) herein are attached to the Regulatory Agreement as an exhibit and the Owner hereby agrees to comply with each of the requirements of the City set forth as follows:

Section 1. Definitions. Terms not otherwise defined herein shall have the meanings assigned thereto in the Regulatory Agreement as applicable, provided they do not conflict with the terms defined or referenced herein. The definitions contained in the implementing regulations for Section 504, the Fair Housing Act, and the ADA are incorporated by reference. *See* 24 C.F.R. §§ 8.3, 100.20; 28 C.F.R. § 35.104. The following terms shall have the respective meanings assigned to them in this Section unless the context in which they are used clearly requires otherwise:

“**Accessible,**” when used with respect to a Housing Unit or a Housing Development, means and refers to full compliance with the requirements of the Accessibility Standards.

“**Accessible Housing Development**” means a Housing Development that is Accessible, including Accessible public and common use areas, as well as the number and type of Accessible Housing Units that are required to be Accessible by the Covenants.

“**Accessible Housing Units**” or “**Accessible Unit**” refers collectively to Housing Units with Mobility Features and Housing Units with Hearing/Vision Features that are Accessible, on an Accessible Route, and in an Accessible Housing Development.

“**Accessibility Laws**” means Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794 *et seq.*; the Americans with Disabilities Act (“ADA”), 42 U.S.C. § 12131, *et seq.*; California Government Code Section 11135 *et seq.*; the federal Fair Housing Act of 1968, as amended (“FHA”), 42 U.S.C. §§ 3601-3620; implementing regulations and design standards for each of the preceding statutes; and the California Building Code. In all instances, the requirements of the Federal Accessibility Laws shall supersede any state or local requirements, unless the state or local requirements are stricter than the Federal requirements.

“**Accessibility Standards**” means the following compliance standards:

For purposes of Section 504 and the ADA:

- a. For Housing Developments constructed or substantially altered before March 15, 2012:
 - i. The new construction requirements of 24 C.F.R. pt. 8, including 24 C.F.R. §§ 8.4(d), 8.22, 8.26, and 8.32 as well as the new construction requirements of UFAS, or their successor standards.
- b. For Housing Developments constructed or substantially altered on or after 3/15/2021, The Alternative Accessibility Standard

i. Any future accessibility standard and other regulatory requirements applicable to newly constructed facilities in federally-assisted programs that may be adopted in a final rule issued by the U.S. Department of Housing and Urban Development (“HUD”) pursuant to notice and comment rulemaking under Section 504 so long as such accessibility standard and regulatory requirements do not provide for less accessibility for persons with disabilities than either a or b.

For purposes of the Fair Housing Act:

a. Compliance with the standards set forth in 24 C.F.R. § 100.205, including: the requirements in ANSI A117.1-1998, the Fair Housing Accessibility Guidelines, March 6, 1991, in conjunction with the Supplement to Notice of Fair Housing Accessibility Guidelines: Questions and Answers About the Guidelines, June 28, 1994, and the Fair Housing Accessibility Act Design Manual, Revised April 1998.

For purposes of state law:

a. The accessibility provisions of the California Building Code Chapters 11A and 11B, or any future accessibility standard and other regulatory requirements applicable to newly constructed facilities adopted as part of the California Building Code; and

b. All applicable building codes in effect for the City of Los Angeles Building and Safety Department.

“Accessible Route” means and refers to a continuous, unobstructed UFAS-compliant path as prescribed in 24 C.F.R. §§ 8.3 and 8.32 and UFAS § 4.3. As used for purposes of the ADA, an Accessible Route is as described in Chapter 4 of the 2010 Standards for Accessible Design, 28 C.F.R. §§ 35.104, as applied to public entities, except that elevator exceptions do not apply.

“Alternative Accessibility Standard” means and refers to the alternative accessibility standard for new construction set out in HUD’s notice at 79 Fed. Reg. 29,671 (May 23, 2014), when used in conjunction with the new construction requirements of HUD’s regulations at 24 C.F.R. pt. 8, 24 C.F.R. § 8.22, and the new construction requirements of 28 C.F.R. pt. 35, including the 2010 Standards for Accessible Design as defined in 28 C.F.R. § 35.104 and as applied to public entities (excluding any elevator exceptions).

“Assistance Animals” means and refers to animals that work, provide assistance, or perform tasks for the benefit of a person with a disability as well as animals that provide emotional support that alleviates one or more identified symptoms or effects of a person’s disability. Assistance Animals are not pets and are not subject to a housing provider’s pet policies. Service animals are one type of Assistance Animal. Assistance Animals include animals that are trained and untrained and include dogs and other animals.

“Fair Housing Policy Related to Disability” means the documents containing the policies of the City, as amended periodically, that ensure all Housing Developments be constructed and operated in accordance with all applicable Accessibility Laws, including federal accessibility requirements. The current policies can be accessed on the City’s Accessible Housing Program Website. HUD may require modifications to these policies post-closing.

“Housing Development” or **“Development”** means the whole of one or more residential structures and appurtenant structures, equipment, roads, walks, and parking lots that (1) received or will receive any Federal financial assistance from or through the City and/or (2) were, are, or will be designed, constructed, altered, operated, administered, or financed in connection with a program administered by the City or by its Subrecipients.

“Housing Unit” means a single unit of residence in the Housing Development that provides spaces for living, bathing, and sleeping, provided such definition shall not be construed to exclude Single Room Occupancy Units. A Housing Unit includes a dwelling unit as that term is used in 24 C.F.R. § 8.22.

“Housing Unit with Hearing/Vision Features” means a Housing Unit that complies with 24 C.F.R. §§ 8.22 and 8.23 and all applicable provisions of UFAS, or the comparable provisions of the Alternative Accessibility Standard including but not limited to § 809 and specifically subsection § 809.5 of the 2010 ADA Standards for Accessible Design, and with the California Building Code Chapters 11A & 11B. Hearing/Vision Features include but are not limited to visual alarms (UFAS §§ 4.34.10, 4.28.3), auxiliary alarms (UFAS §§ 4.34.10, 4.28.4), telephone volume controls and hearing aid compatibility (UFAS § 4.31.5), protections against protruding objects (UFAS § 4.4), stairway requirements (UFAS §§ 4.9, 4.26.4), protections against exposed pipes and surfaces (UFAS §§ 4.19.4, 4.24.6, 4.34.6.5(8)), audible alarms (UFAS § 4.28.2), signage (UFAS § 4.30), push button controls for telephones (UFAS § 4.31.6), consumer information (UFAS § 4.34.4), and range, cooktop, and oven controls (UFAS §§ 4.34.6.6, 4.34.6.7).

“Housing Unit with Mobility Features” means a Housing Unit that is located on an accessible route and complies with 24 C.F.R. §§ 8.22 and 8.23 and all applicable provisions of UFAS, or the comparable provisions of the Alternative Accessibility Standard including but not limited to § 809 and specifically subsections §§ 809.2 through 809.4 of the 2010 ADA Standards, and with the California Building Code Chapter 11 B. A Housing Unit with Mobility Features can be approached, entered and used by persons with mobility disabilities, including people who use wheelchairs.

“Owner” means and refers to an owner of a Housing Development and such owner’s successors and assigns who (1) has received, receive, or will receive any federal financial assistance from or through the City since July 11, 1988, and/or (2) was, is, or will be the owner of a Housing Development designed, constructed, altered, operated, administered, or financed, in whole or in part, in connection with a program administered in whole or in part by the City since January 26, 1992. An Owner may also be a Subrecipient.

“Property Management Agent” means and refers to a person or entity that manages one or more of the Housing Developments subject to these covenants on behalf of an Owner.

“Reasonable Accommodation” means changes, modifications, exceptions, alterations, or adaptations in rules, policies, practices, programs, activities that may be necessary to (1) provide a person with a disability an equal opportunity to use and enjoy a dwelling, including public and common use areas of a development, (2) participate in, or benefit from, a program (housing or non-housing), service or activity; or (3) avoid discrimination against a person with a disability. Such an accommodation must be granted unless it would (i) pose an undue financial and administrative burden, or (ii) fundamentally alter the essential nature of the program, service, or activity. For purposes of these covenants, a Reasonable Accommodation includes any physical or structural change to a Housing Unit or a public or common use area that would be considered a reasonable modification for purposes of the Fair Housing Act.

“Subrecipient” means and refers to any public or private agency, institution, organization, or other entity or person to which federal financial assistance or financial assistance from or through the City is extended. A Subrecipient also means and refers to a non-federal entity that receives a sub-award from a pass-through entity to carry out part of a federal program, but does not include an individual who is a beneficiary of such program. A Subrecipient may also be a recipient of other federal awards from a federal awarding agency. 2 C.F.R. § 200.93. A Subrecipient may also be an Owner.

“UFAS” means the Uniform Federal Accessibility Standards and refers to a set of scoping requirements and standards for the design and construction of buildings and facilities to ensure that they are readily accessible to and usable by persons with disabilities. See Appendix A to 24 C.F.R. subpart 40 for residential structures and Appendix A to 41 C.F.R. subpart 101-19.6 for general-type buildings (UFAS is also available on-line at <http://www.access-board.gov>).

Section 2. Owner Obligations. The Owner represents, warrants, covenants and agrees as follows:

a. A State of California Certified Access Specialist (“CASp”) who is a licensed architect or engineer must be identified as part of the development team. A list of CASps can be found at the following link: https://www.apps2.dgs.ca.gov/DSA/casp/casp_certified_list.aspx. The CASp cannot be the architect of record for the project. The cost of CASp activities and certifications should be included in the application’s project budget.

b. The Housing Development shall be constructed in accordance with the Accessibility Standards in Section 1 above to ensure accessibility for persons with disabilities. Owner must work with their CASp to ensure that the Housing Development complies with those Accessibility Standards.

c. An accessibility report by a CASp inspector certifying that the Housing Development is in compliance with all applicable Accessibility Standards, as defined in Section 1, above, must be submitted to and approved by LAHD at the following phases of the project development:

1. Accessibility Design Review Report and a pdf copy of the plans are due for review by LAHD when construction documents have been developed, and prior to the submission of plans to Los Angeles Building and Safety Department;
 2. The Accessibility Design Review Report must be approved by LAHD before building permits can be issued;
 3. Accessibility Progress Inspection Reports conducted after all rough inspections have been signed off by the Los Angeles Building and Safety Department and prior to closing of walls; and
 4. The Final Accessibility Report at completion of construction must be approved by LAHD before: (a) final retention payment; (b) certificate of occupancy; and (c) final building permit can be signed off by the Los Angeles Building and Safety Department.
- d. Applicants/developers/owners must list all applicable accessibility standards on title page of plans, including the designated FHA Safe Harbor for the project, and include the following note: *“This is a publicly funded housing project and must comply with federal accessibility standards and California Building Code Chapters 11A & 11B”*.
- e. If the Development is to be rehabilitated, accessibility retrofits of the Housing Development shall take place concurrently with any project rehabilitation in compliance with the Accessibility Standards, including federal accessibility standards.
- f. The Accessible Units shall be prioritized for persons with disabilities who have a disability-related need for the accessibility features of the Accessible Unit. If an Accessible Unit is occupied by residents without disabilities, Owner shall require use of a Lease Addendum to require such residents to relocate to a vacant, non-accessible unit of comparable size, finishes, and amenities, at the same Development at the Development’s expense, within thirty (30) days of notice by the Owner or Property Management Agent, or the minimum amount of notice required by state law, that there is an eligible applicant or existing resident with a disability who requires the accessibility features of the unit.
- g. Eleven percent (11%) of the total Housing Units in the Housing Development shall be constructed and maintained by the Owner as Housing Units with Mobility Features.
- h. An additional four percent (4%) of the total Housing Units in the Housing Development shall be constructed and maintained by the Owner as Housing Units with Hearing/Vision Features.

i. The 4% and 11% calculations shall each be based on the total number of Housing Units in the Housing Development. In determining the number of Accessible Units required, any fractions of units shall be rounded up to the next whole number. Required Accessible Units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout projects and sites, and shall be available in a sufficient range of sizes and amenities so that a qualified individual with a disability has a choice of living arrangements that is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

j. While additional Accessible Housing Units may be provided, *i.e.*, up to 20 percent (20%), no more than fifteen percent (15%) of the Housing Units in any Housing Development may be counted toward the Target Number of Accessible Housing Units that the City must provide pursuant to the Voluntary Compliance Agreement (VCA) with the U.S. Department of Housing and Urban Development (HUD) (specifically, no more than eleven percent (11%) of the Housing Units in any Housing Development with Mobility Features and no more than four percent (4%) Housing Units in any Housing Development with Hearing/Vision Features) unless HUD provides specific written authorization.

k. The Accessible Units shall be affordable for households pursuant to the terms of the Loan Agreement Documents and Regulatory Agreement, including any and all amendments, revisions, or modifications.

l. The project shall comply with the City's Accessibility Regulations Matrix & Overview, Accessible Design/Construction Compliance Requirements, and the Accessibility Report Requirements, which may be amended from time-to-time.

m. Owners shall adopt and comply with the City's Fair Housing Policy Related to Disability, as amended.

n. Owners and property managers (including resident managers and on-site managers) of the Housing Development shall attend the City's Fair Housing for People with Disabilities workshops.

o. Owners shall register the Housing Development on the City's Affordable and Accessible Housing Registry ("AAHR"), located at <http://lahousing.lacity.org>, and utilize the AAHR to provide and update required information about the Housing Development and the Accessible Units, allow people with disabilities to apply for the Accessible Units when they become available and to place themselves on the waiting list for the Accessible Units, and comply with all other requirements of the AAHR.

p. Following reasonable notice to Owner, Owner shall allow the City to conduct periodic on-site inspections of the Housing Development in order to verify compliance with the Accessibility Standards and the City's Fair Housing Policy Related to Disability.

q. The Housing Development as a whole and all Housing Units shall meet the requirements of the Accessibility Standards as defined in Section 1, above, and any requirements of the City, provided such requirements minimally meet and do not diminish the requirements of the Accessibility Standards.

r. Owner shall provide a list to the City of all Accessible Units with unit number, bedroom size and type of Accessible Unit (“Housing Unit with Hearing/Vision Features” or “Housing Unit with Mobility Features”).

Section 3. Occupancy of Accessible Housing Units. Owner shall follow the requirements of Section 504 and its implementing regulations at 24 C.F.R. Part 8, as well as the City’s Fair Housing Policy Related to Disability to assure that information regarding the availability of Accessible Units reaches eligible individuals with disabilities. Owner will take reasonable, nondiscriminatory steps to maximize the utilization of such units by eligible individuals who require the accessibility features of the particular unit. To this end, Owner will take the following steps when an Accessible Unit becomes vacant:

a. First, Owner will offer the Accessible Unit to a current occupant of the Housing Development who needs the features of an Accessible Unit;

b. Second, Owner will offer the Accessible Unit to a current occupant of a Housing Development under common control who needs the features of an Accessible Unit;

c. Third, Owner will offer the Accessible Unit to an eligible, qualified applicant on the waiting list for Accessible Housing Units who needs the features of an Accessible Unit;

d. Fourth, Owner will offer the Accessible Unit to a current tenant of a Covered Housing Development who needs the accessible features of the Accessible Unit and are registered with the AAHR.

e. Fifth, Owner will offer the unit to qualified applicants who need the accessible features of the Accessible Unit and are registered with the AAHR.

f. If there are no eligible current tenants or applicants in need of accessible features, then the Owner must conduct targeted outreach and marketing to advertise the unit to qualified individuals who need the accessible features, including listing it as available to individuals who need the accessible features at <http://lahousing.lacity.org>, distributing the information about the accessible vacancy in accord with the Owner’s City approved Property Management Plan, distributing it to the most recent list from the City of organizations that serve people with disabilities, and sending an e-blast to parties on the <http://lahousing.lacity.org> website Outreach List. All such communications shall take appropriate steps to ensure effective communication with individuals with disabilities by utilizing appropriate auxiliary aids and services, such as the use of accessible websites and

emails. Outreach efforts to the disability community shall include, but not be limited to, notices and other communications describing the availability of such Accessible Units, specific information regarding the features of Accessible Units, eligibility criteria, and application procedures. These, and additional procedures, are incorporated into the City's Fair Housing Policy Related to Disability, as amended.

In the event more than one household has requested an Accessible Unit, Owners shall offer the Accessible Unit to households in order on the appropriate waiting list within each category.

If, after using the process identified above, there are no households who need the features of that Accessible Unit, then Owner may offer the Accessible Unit to the next household on the conventional waiting list. Should that household choose not to occupy the Accessible Unit, they will remain at the same position on the conventional waiting list. If the household chooses to occupy the Accessible Unit, the tenant must sign a lease addendum in the form approved by the City. The lease addendum requires the household to move to the next available, comparable, conventional unit, when given appropriate notice by the Housing Development that there is an eligible applicant or existing resident with a disability who requires the accessibility features of that Accessible Unit.

For individuals who are required to vacate an Accessible Unit because it is needed by an individual with a disability, Owners will pay the costs of the transfer to a comparable conventional unit, including new utility deposit(s), if required, and reasonable moving expenses.

Section 4. Rental Policies. The Owner shall adopt the City's rental policies that meet the requirements of Section 504, the ADA, the Fair Housing Act, FEHA, and other federal and state laws and regulations as applicable, and of the Fair Housing Policy Related to Disability of the City, as amended. Owner shall develop and utilize a Property Management Plan ("PMP"), approved by the City, which describes affirmative marketing, tenanting, and other procedures to ensure that the Housing Development meets all of the civil rights requirements for individuals with disabilities.

Rental applications will include a section to be filled out by applicants to identify whether they are requesting an Accessible Unit or a Reasonable Accommodation. Applicants will not be required to disclose a disability under any circumstances, and Owner shall seek information to be disclosed limited to only what is necessary to establish the disability-related need for the requested accommodation. If both the disability and disability-related need for the requested accommodation are obvious or already known, no additional information may be sought by the Owner. Applicants and residents may request a Reasonable Accommodation at any time.

Section 5. Residential Rental Property. The Owner hereby represents, covenants, warrants and agrees as follows:

a. All of the Housing Units in the Housing Development will be similarly constructed units, and each income restricted unit in the project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and

cooking facilities, equipped with a cooking range and oven, a sink and a refrigerator. Each of the Accessible Units shall also comply with these requirements. Notwithstanding the foregoing, a unit shall not fail to be treated as a residential unit merely because such unit is a single room occupancy unit within the meaning of Section 42(i)(3)(B)(iv) of the Code even though such housing may provide eating, cooking and sanitation facilities on a shared basis.

b. All of the Housing Units (which shall not include any manager units) will be available for rental on a continuous basis to members of the general public, and the Owner will not give preference to any particular class or group in renting the housing units in the project, except to the extent that: (1) Accessible Housing Units shall be made available on a priority basis to persons who need the accessible features, as described in Section 3 above; (2) any Housing Units are required to be leased or rented to low income tenants or persons [62] years of age and older, (3) the requirements of any regulatory agreement executed between the Owner and HUD or between the Owner and a subordinate lender (including the City), (4) the requirements of any Section 8 Housing Assistance Payments Contract with respect to the project, and (5) any preference Owner may legally provide pursuant to applicable federal and state law.

Section 6. Monitoring Requirements. The City will monitor the initial production and ongoing occupancy of the Accessible Units and the Housing Development to ensure full compliance with the Accessibility Standards, the Fair Housing Policy Related to Disability and the policies in Sections 1 – 4, above. In order to determine compliance with the Accessibility Standards, Owner shall submit and the City shall review and approve a CASp Inspection Report of the housing development that identifies the necessary and required design elements to make the Housing Units and site accessible for individuals with disabilities. The City shall inspect the construction and/or rehabilitation to verify that the legally required number of Accessible Units have been produced and that the necessary and required design elements have been constructed to make the Housing Units and site accessible for individuals with disabilities and supported by an independent CASp consultant's report.

The City will utilize the Housing Development's City approved PMP and Fair Housing Policy Related to Disability to monitor ongoing occupancy compliance of the Accessible Units and nondiscrimination of individuals with disabilities. Compliance with the policies shall include, but not be limited to, target marketing, establishing and monitoring a waiting list specific to the Accessible Units, appropriately responding to Reasonable Accommodation requests, implementation of the assistance animal policies, implementation of the policies for re-leasing vacant Accessible Units, and all elements contained in the Fair Housing Policy Related to Disability, as amended.

Section 7. Maintenance of Records. With respect to the Covenants, the owner agrees to keep and maintain books, accounts, reports, files, records, and other documents pursuant to the terms of the Loan Agreement Documents and Regulatory Agreement, including any and all amendments, revisions, or modifications.

Section 8. Notices, Demands, Payments and Communication. Formal notices, demands, payments and communications between the City and the Owner shall be sufficiently given and shall not be given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally pursuant to the Notice provisions in the Loan Agreement.

Section 9. Term of the Covenants. The Covenants shall be recorded upon its execution and shall terminate in accordance with the most restrictive provisions of the Loan Agreement Documents and Regulatory Agreement, including any and all amendments, revisions, or modifications.

Section 10. Covenant to Run with the Land. The Owner hereby subjects the project to the covenants, reservations, and restrictions set forth in the Covenants. The City and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the project. Each and every contract, deed, or other instrument hereafter executed covering or conveying the project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. In particular, this Covenant is subject to the requirements at HUD's Section 504 regulation at 24 C.F.R. § 8.50(c).

Section 11. Default; Enforcement. As part of ensuring compliance with the Accessibility Covenants, the Accessibility Standards, and the Fair Housing Policy Related to Disability, the City or its agent, will conduct periodic on-site visits inspecting the Housing Development, which inspections may include inspecting the Housing Units and common areas, tenant files, logs and other records. Should the Owner fail to comply, the City will first issue an Order to Comply ("Order") stating the element of the Housing Development that is out of compliance, and providing a date by which the Owner must comply. The Order shall give the Owner not more than 30 days to correct the violation, or such additional time as the City may grant if the Owner is taking steps to correct the violation ("Compliance Date"), and diligently pursues such action until the default is corrected, which extension is in the City's sole discretion. The City shall re-inspect the Housing Development within 10 days of the Compliance Date specified in the Order or any extension, however failure to inspect or re-inspect within the time frame does not remove the obligation of the Owner to comply with the Order.

If the Order is issued and the violation continues to exist after the Compliance Date, then the City shall declare an "Event of Default" and may take any one or more of the following steps:

- a. Inspection Fee for Non-Compliance.** In the event the Owner fails to comply with the Order within the Compliance Date, the Owner shall be liable for subsequent inspection fees in the amount approved by Council until compliance has been achieved. Failure to pay the assessed inspection fee within 30 days of the date of invoice, will result in a late charge equal to or two times the fees and a collection fee equal to 50 percent of the original fee shall be imposed if any fee imposed is not paid within 30 days of service of notice of the imposition of the fee.

The late fee may be imposed without a hearing but may be appealed to the General Manager of LAHD. The appeal shall be made in writing, and shall specify the grounds for the appeal. The appeal shall be filed with LAHD within ten calendar days of the issuance of the imposition of the late fees and costs. The General Manager or his designee shall issue a decision within ten calendar days of the filing of the appeal. A copy of the decision shall be served on the person or entity subject to the Order or fee by first class United States mail, postage prepaid, or in person. The City shall have the right to bring legal action in any court to enforce the Order and collect the amount of outstanding fees and penalties. City may waive the penalty imposed pursuant to this section if City determines that good causes exist for the Owner's failure to pay in a timely manner.

b. By mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the City hereunder;

c. Filing of a complaint or referral to HUD or other appropriate agencies for further enforcement actions;

d. Have access to and inspect, examine and make copies of all or a portion of the books and records of the Owner pertaining to the project, in order to ensure compliance with all provisions of the Covenants, including records relating to the accessibility of the Accessible Units; and

e. Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder.

Section 12. Compliance with Accessibility Requirements. The Owner hereby certifies that it and its property manager and any agent, contractor and subcontractor will comply with the Accessibility Standards as defined, and the policies described in Sections 2-5. The Owner and any contractor and subcontractor will provide Reasonable Accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services, and activities in accordance with each of the applicable and stricter of the requirements of the ADA, the 2010 ADA Standards for Accessible Design, the ADAAG, Section 504, UFAS, the Fair Housing Act, the Fair Housing Act Design and Construction Requirements, federal regulations implementing the ADA, Section 504, and the Fair Housing Act, California Government Code 11135 *et seq.*, the California Building Code Chapters 11A and 11B, and all subsequent amendments to those laws. The Owner and any contractor and subcontractor will not discriminate against persons with disabilities or against persons due to their relationship or association with a person with a disability. Any contract and subcontract entered into by the Owner, relating to the Covenants and the Project, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

Section 13. Governing Law. The Covenants shall be governed by the laws of the State of California.

Section 14. Parties Bound. The provisions of the Covenants shall be binding upon and inure to the benefit of the City and Owner and their respective successors and assigns.

Section 15. Severability. Every provision of the Covenants is intended to be severable. If any provision of the Covenants shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 16. Waiver. Any waiver by the City of any obligation in the Covenants shall be in writing; however, the City cannot waive the requirement to comply with federal and state law. No waiver will be implied from any delay or failure by the City to take action on any breach or default of Owner or to pursue any remedy allowed under the Covenants or applicable law. Any extension of time granted to Owner to perform any obligation under the Covenants shall not operate as a waiver or release from any of its obligations under the Covenants. Consent by the City to any act or omission by Owner shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the City's written consent to future waivers.

Section 17. Modifications. There shall be no amendment or modification of the Covenants without the prior written approval of the City. Any amendment or modification of the Covenants shall be by a written instrument executed by the City and the parties to the Covenants and the Regulatory Agreement or their successors in title, and duly recorded in the real property records of the County of Los Angeles, California. Modifications or amendments to the Covenants may occur by operation of law or other agreements binding the City and the parties to the Covenants and the Regulatory Agreement.

Section 18. Conflicts. If the provisions of the Covenants are inconsistent with the provisions of the Regulatory Agreement, the Loan Documents, or any other documents which affect the Property, the more restrictive covenants or restrictions shall control.

Section 19. Recording and Filing. The Owner shall cause the Covenants to be recorded and filed in the real property records of the County of Los Angeles and in such other places as the City may reasonably request. However, failure to record the Covenants by the Owner shall not relieve Owner of any of the obligations specified herein.

