

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

City of Palm Desert Housing
73-510 Fred Waring Drive
Palm Desert, CA 92260-2578
Attn: Jessica Gonzales

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

This Document is recorded for the benefit of the City of Palm Desert and is exempt from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.

HOUSING AGREEMENT

by and between

the CITY OF PALM DESERT HOUSING

and

**A0358 MONTEREY, L.P.
A CALIFORNIA LIMITED PARTNERSHIP**

DATED AS OF _____, 2023

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HOUSING AGREEMENT

THIS HOUSING AGREEMENT (the “**Agreement**”) is dated as of _____, 2023, and is by and between the CITY OF PALM DESERT HOUSING, a public body, corporate and politic (the “**City**”), and A0358 MONTEREY, L.P., A CALIFORNIA LIMITED PARTNERSHIP (the “**Owner**”). City and Owner are sometimes referred to herein individually as a “**Party**” and collectively as “**Parties**”.

RECITALS

This Agreement is predicated upon the following facts:

A. The Owner owns the property located in the City of Palm Desert, County of Riverside, State of California, more particularly described on Exhibit “A” attached hereto (“**Site**”).

B. As described in Resolution No. 2814 adopted by the City’s Planning Commission, a Precise Plan application submitted by the Owner was approved for a 176-unit multi-family (affordable housing) development community consisting of four (4) three-story apartment buildings, five (5) two-story apartment buildings, a single-story clubhouse, pool area, private outdoor recreation areas, and associated parking areas on an 11-acre site (“**Project**”).

C. The Project approvals described in Recital B, above, require that Owner execute and record this Agreement against the Site and the Project.

D. This Agreement shall not be subordinate or subordinated to any deeds of trust or other liens encumbering the Site or Project.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and the Owner hereby agree as follows:

ARTICLE 1. DEFINITIONS AND INTERPRETATION.

1.1 Definitions.

Capitalized terms used herein shall have the following meanings unless the context in which they are used clearly requires otherwise.

“**Affordable Units**” shall mean 35 of the 176 units in the Project available to and occupied by, or held vacant for occupancy only by 80% AMI Low Income Households, and rented at an Affordable Rent. Specifically, the Affordable Units consist of 35 units for 80% AMI Low Income

Households. The Affordable Units will include the number of bedrooms shown on the following table:

| Bedroom Size | 80% AMI Low Income Household Affordable Units |
|--------------|---|
| One | 15 |
| Two | 19 |
| Three | 1 |
| Total | 35 |

“**Affordable Rent**” shall mean rent for an Affordable Unit, including a Reasonable Utility Allowance, as determined in accordance with the applicable provisions of Code Section 42 and in a manner consistent with the maximum rents published by the TCAC.

“**AMI**” shall mean the area median income for Riverside County as published by the California Department of Housing and Community Development pursuant to Health and Safety Code Section 50052.5, or successor statute, as adjusted for family size in accordance with the state regulations adopted pursuant to California Health and Safety Code Section 50052.5, provided, however, that at any time the Project is subject to a CTCAC extended use agreement, CTCAC’s rules and regulations regarding area median income shall control.”

“**Code**” means the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

“**CTAC**” means the California Tax Credit Allocation Committee.

“**Household Size Appropriate to the Affordable Unit**” shall have the meaning set forth in California Health and Safety Code Section 50052.5(h), as amended from time to time.

“**80% AMI Low Income Household**” shall mean persons and families whose income does not exceed the qualifying limits for lower income households set forth in California Health and Safety Code Section 50079.5 and Title 25 of the California Code of Regulations, including Section 6912, as such statute and regulations may be amended from time to time.

“**Reasonable Utility Allowance**” shall mean a utility allowance for utilities paid by a tenant (not including telephone, internet or cable service) utilizing the utility allowance schedule published annually by the Housing Authority of the County of Riverside or as calculated using the California Utility Allowance Calculator developed by the California Energy Commission and approved by CTCAC.

“**Required Covenant Period**” shall mean the period commencing on the date all units in the Project have been completed as evidenced by the City’s issuance of a final Certificate of Occupancy for the Project, and ending as of the fifty-fifth (55th) anniversary thereof.

1.2 **Rules of Construction.**

1.2.1 The singular form of any word used herein, including the terms defined herein shall include the plural and vice versa. The use herein of a word of any gender shall include correlative words of all genders.

1.2.2 Unless otherwise specified, references to articles, sections, and other subdivisions of this Agreement are to the designated articles, sections, and other subdivisions of this Agreement as originally executed. The words “**hereof**,” “**herein**,” “**hereunder**,” and words of similar import shall refer to this Agreement as a whole.

1.2.3 All of the terms and provisions hereof shall be construed to effectuate the purposes set forth in this Agreement and to sustain the validity hereof.

1.2.4 Headings or titles of the several articles and sections hereof and the table of contents appended to copies hereof shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of the provisions hereof.

ARTICLE 2. ONGOING PROJECT OBLIGATIONS.

2.1 Project and Affordable Units.

The Owner shall develop and construct the Project on the Site in conformity with the applicable governmental permits, approvals and the Loan Agreement. Thereafter, during the Required Covenant Period, the Owner agrees that not less than 35 units in the Project shall be Affordable Units, meaning that 35 of and such units shall be continually available to and occupied by, or held vacant for occupancy only by, 80% AMI Low Income Households, and the Owner shall use good faith efforts to give preference to military veterans. All of the rental units in the Project shall be similarly constructed and generally constructed at the same time. All of the rental units in the Project shall be of comparable quality. The Owner agrees that, to the extent commercially reasonable, Affordable Units will not be underutilized. No persons shall be permitted to occupy any Affordable Unit in excess of applicable limit of maximum occupancy set by the City’s Municipal Code and the laws of the State of California, or by Authority Resolution HA-84 adopted on December 14, 2017.

2.2 Residential Rental Property.

The Owner covenants to operate the Project as residential rental property. During the Required Covenant Period, the Affordable Units will be held and used for the purpose of providing residential living, and the Owner shall own, manage and operate, or cause the management and operation of, the Project to provide such affordable rental housing. All of the rental units in the Project with the exception of two (2) two-bedroom 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 units in the Project, except for the above good faith preference for military veterans, and except as required under any other required regulatory agreement for the Project. The Owner shall not convert any Affordable Unit(s) to condominiums or cooperative ownership or sell condominium or cooperative conversion rights to any Affordable Unit(s) during the term of this Agreement.

2.3 80% AMI Low Income Households.

2.3.1 Income Qualification; Initial Certification. Subject to the applicable provisions hereof, throughout the Required Covenant Period, Affordable Units will be exclusively occupied by, or available for occupancy only by, 80% AMI Low Income Households as described above. Prior to the rental or lease of an Affordable Unit and in accordance with Section 2.6 hereof, the Owner will obtain and maintain on file a Household Income Certification (“**Income Certification**”) substantially in the form attached hereto as **Exhibit “B”** and incorporated herein by this reference for each 80% AMI Low Income Household, and shall provide copies of same to the City at such times as the City may, from time to time, reasonably require. In addition, the Owner will provide such further information as may reasonably be required in the future by the City. The Income Certification shall be dated immediately prior to the applicable household’s initial occupancy of an Affordable Unit. The Owner shall make a good faith effort to verify that the income provided by an applicant in an Income Certification is accurate by taking any one or more of the following steps as part of the verification process for all household members over the age of eighteen (18) as appropriate:

- (i) Obtain two (2) pay stubs for the two (2) most recent pay periods;
- (ii) Obtain a true copy of an income tax return for the most recent tax year in which a return was filed;
- (iii) Obtain an income verification form from the household member’s current employer;
- (iv) Obtain an income verification form from the Social Security Administration and/or the State Department of Social Services, or its equivalent, if the household member receives assistance from either of those agencies;
- (v) If the household member is unemployed and has no tax return, obtain another form of independent verification; or
- (vi) Obtain such other documentation as may be reasonably acceptable pursuant to Title 25 of the California Code of Regulations or CTCAC, as amended from time to time, to verify income.

2.3.2 Certificate of Continuing Program Compliance; Annual Report; Annual Monitoring/Administration Fee. Throughout the Required Covenant Period, the Owner will prepare and submit to the City, at such periodic frequency as the City might reasonably require, but not more than once annually, a Certificate of Continuing Compliance in substantially the form attached hereto as **Exhibit “C”** and incorporated herein by this reference, and executed by the Owner. The Owner will also prepare and submit to the City on or before each anniversary date of the commencement of the Required Covenant Period, and for the preceding calendar year, a report in form and substance reasonably satisfactory to the City summarizing the vacancy rate of the Project, including the number of Affordable Units held vacant for occupancy by 80% AMI Low Income Households for such calendar year, including the number of Affordable Units rented to military veterans.

2.4 Affordable Rent. Throughout the Required Covenant Period, an Affordable Rent shall be charged to the 80% AMI Low Income Household occupants of Affordable Units, as more specifically described above.

2.5 Rent Increases. Rents for Affordable Units may be increased not more than once per year and twelve (12) months must have elapsed since the date of the tenant's initial occupancy or the last rent increase. The rents charged following such an increase, or upon a vacancy and new occupancy by an 80% AMI Low Income Household shall not exceed the Affordable Rent. The Owner shall, consistent with applicable law, give proper written notice to tenants of all rent increases, and upon written request, provide the City with reasonable detail concerning the amount of and rationale for such rent increases.

2.6 Income Recertification of Affordable Units. Annually, on the anniversary date of occupancy of an Affordable Unit by an 80% AMI Low Income Household, the Owner shall obtain and maintain on file an annual income certification, in form and substance reasonably satisfactory to the City (but CTCAC's required form of income certification shall be deemed satisfactory, together with any other information reasonably requested by the City Manager of the City), from each household occupying an Affordable Unit, based upon the current income of each household member over the age of eighteen (18). The Owner shall make a good faith effort to verify that the income provided by the household is accurate in accordance with Section 2.3.1, above.

2.6.1 A rental unit occupied by a household that qualifies as an 80% AMI Low Income Household at the time the household first occupies an Affordable Unit shall be deemed to continue to be so occupied until a recertification of such household's income demonstrates that such household no longer qualifies as an 80% AMI Low Income Household. At such time as a household ceases to qualify as an 80% AMI Low Income Household, as applicable, based on income recertification, such Affordable Unit shall continue to be treated as a qualifying household for purposes of Owner's compliance with this Agreement, provided, however, that the Owner shall designate the next available Affordable Unit (one that is not occupied by a tenant) with the same number of bedrooms as the occupied Affordable Unit and it shall be leased to an 80% AMI Low Income Household so that the number of Affordable Units occupied by or reserved for occupancy by 80% AMI Low Income Households will remain constant. For purposes of this Agreement, such designated unit will be considered an Affordable Unit if it is held vacant and available solely for occupancy by an 80% AMI Low Income Household and, upon occupancy, the income eligibility of the household as an 80% AMI Low Income Household is verified and the unit is rented at the applicable Affordable Rent.

2.7 Lease or Occupancy Agreement. Prior to the rental or lease of an Affordable Unit to an 80% AMI Low Income Household, the Owner shall require the tenant to execute a written lease or occupancy agreement. The Owner shall maintain on file throughout the Required Covenant Period and for a four (4) year period thereafter, the executed lease or occupancy agreement of each tenant occupying an Affordable Unit. The form of lease or occupancy agreement used by the Owner for the lease or rental of Affordable Units shall be that which is reasonable and customary in affordable residential leasing. In addition, each lease or occupancy agreement for an Affordable Unit shall (i) provide that the tenants of such Affordable Unit shall be subject to annual recertification of income and subject to rental increases in accordance with Sections 2.5 and 2.6 of this Agreement, and (ii) contain a provision to the effect that the Owner

has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the Affordable Unit, and that any material misstatement in such certification (whether or not intentional) may be cause for immediate termination of such lease or occupancy agreement.

2.7.1 The Owner shall refrain from restricting the rental or lease of Affordable Units on the basis of race, color, religion, sex, marital status, disability, ancestry or national origin of any person.

2.7.2 The covenants established herein shall, without regard to technical classification and designation, be binding for the benefit and in favor of the City, and its successors and assigns, and shall burden and run with the Site.

2.7.3 The City is deemed to be the beneficiary of the terms and provisions of the covenants herein, both for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit these covenants running with the land have been provided.

2.8 Security Deposits. The Owner may require security deposits on Affordable Units in amounts which are consistent with applicable law.

2.9 Additional Information; Books and Records. The Owner shall provide any additional information concerning the Affordable Units reasonably requested by the City . The Owner will maintain complete and accurate records pertaining to the Affordable Units throughout the Covenant Period and for a four (4) year period thereafter. The City shall have the right upon written notice of no less than two (2) business days to the Owner, at any time during normal business hours of 9:00 am to 5:00 pm, to examine of all books, records or other documents maintained by the Owner or by any of the Owner's agents which pertain to any Affordable Unit, including all executed leases or occupancy agreements and all Income Certifications, and obtain copies of any requested executed leases, occupancy agreements and Income Certifications within ten (10) business days following such examination and the City's written request.

2.10 Specific Performance. The Owner hereby agrees that specific enforcement of the Owner's agreement to comply with the allowable rent and occupancy restrictions and covenants contained herein is one of the reasons and consideration for the City having entered into the Loan Agreement, and that, in the event of the Owner's breach of such requirements, potential monetary damages to the City, as well as to existing and prospective 80% AMI Low Income Households, would be difficult, if not impossible, to evaluate and quantify. Therefore, in addition to any other relief to which the City may be entitled as a consequence of the breach hereof, the Owner agrees to the imposition of the remedy of specific performance against it in the case of any event of default by the Owner in complying with any provision of this Agreement beyond any applicable notice and cure period.

2.11 Audit. The City shall have the right to perform an audit of the Project to determine compliance with the provisions of this Agreement. Such audit shall not be undertaken more often than once each calendar year. All costs and expenses associated with the audit shall be paid by the Owner.

2.12 Management. The Owner and/or the management agent (if not the Owner) shall operate the Project in a manner that will provide decent, safe and sanitary residential facilities to the occupants thereof, and will comply with provisions of this Agreement. Upon the written request of the City, the Owner shall cooperate with the City in the periodic review (but not more than once each calendar year) of the management practices and financial status of the Affordable Units, which shall include a description of the means by which preference is given in good faith to military veterans. The purpose of each periodic review will be to enable the City to determine if the Affordable Units are being operated and managed in accordance with the requirements and standards of this Agreement. Results of such City review shall be provided to the Owner, and, if the City finds evidence of material noncompliance the City shall have the right to require the Owner to make modifications that are reasonably necessary to ensure the objectives of this Agreement are met.

2.13 Management Contract. The Owner shall cause the Project to be managed in a prudent and business-like manner, consistent with good property management standards for other comparable high quality, well-managed affordable rental housing projects in the City of Palm Desert. The Owner shall be responsible for all repair and maintenance functions of the Project, including ordinary maintenance and replacement of capital items. The Owner shall ensure maintenance of units and common areas in accordance with local health, building and housing codes. The Owner shall contract with an experienced property management company or property manager, to operate and maintain the Project (“Property Manager”). Such contract shall be subject to prior written approval by the City and shall contain a provision allowing the Owner to terminate the contract without penalty upon no more than thirty (30) days' notice.

The Owner will develop a management plan and submit such plan to the City for reasonable approval (the “Property Management Plan”). The Property Management Plan shall include the following:

- a. The role and responsibility of the Owner and its delegation of authority, if any, to the Property Manager;
- b. Personnel policy and staffing arrangements, including ongoing training of staff in best practices for serving the Project tenants;
- c. Plans and procedures for publicizing and achieving early and continued occupancy;
- d. Procedures for determining tenant eligibility, and selecting tenants, and for certifying and annually recertifying household status, income and size;
- e. Plans for carrying out an effective maintenance and repair program;
- f. Rent collection policies and procedures;
- g. Plans for enhancing tenant-management relations;
- h. Appeal and grievance procedures;

i. Description of how service staff and property management staff will work together to prevent evictions and to facilitate the implementation of reasonable accommodation policies.

Upon a determination by the City that the Property Manager has failed to operate the Project in accordance with the Property Management Plan, the City shall provide written notice to the Owner specifying the Property Manager's breach of the Property Management Plan and providing the Owner with thirty (30) days to cure the specified breach. If the Owner shall fail to cure the specified breach within such thirty (30) day despite its good faith effort to do so, and if such cure is of the nature to take longer than thirty (30) days, the Owner shall commence the cure during the thirty (30) day period and complete the cure by the City's of one hundred eighty (180) days following the Owner's receipt of the City's notice, or in such other time period as the parties may mutually agree. If the Owner has failed to cure the breach of the Property Management Plan by the expiration of the relevant cure period, the City may immediately provide a written notice of such failure to the Owner and the Owner shall promptly terminate the existing Property Manager and contract with an alternative qualified management agent reasonably acceptable to the City to operate the Project, or to make such other arrangements as the City deems reasonably necessary to ensure performance of the functions and obligations set forth in Property Management Plan.

Notwithstanding the foregoing, any change in property management must also be approved by California Debt Limit Allocation Committee (CDLAC), California Tax Credits (CTAC), and the lenders and investors involved in the Project if required by such parties.

2.14 Binding for Term. It is intended by the Parties that except as otherwise expressly provided herein, the provisions of this Agreement shall apply to the Project throughout the entire term hereof, as established in Section 3.1 below.

ARTICLE 3. TERM AND RECORDATION.

3.1 Term of Agreement. This Agreement shall remain in full force and effect for the Required Covenant Period, unless the Owner and the City agree, in writing, to terminate this Agreement prior to the expiration of the Required Covenant Period. Unless terminated earlier pursuant to the prior sentence of this Section 3.1, the Parties intend that the provisions and effect of this Agreement and specifically of Article 2 hereof, shall remain in full force and effect for the entire Required Covenant Period.

3.2 Agreement to Record. The Owner represents, warrants, and covenants that this Agreement will be recorded in the real property records of Riverside County.

3.3 Suspension of Restrictions. Notwithstanding the generality of the foregoing provisions of this Article 3 or any other provisions hereof, this Agreement and all of the terms and restrictions contained herein shall be suspended for any period of involuntary noncompliance as a result of unforeseen events such as fire or act of God which leaves the entire Project uninhabitable (and the proceeds of insurance available to the Owner as a result thereof are insufficient to reconstruct the Project), or a change in a federal or state law or an action by the federal government, the State or a court of competent jurisdiction, after the date of recordation hereof, that prevents the City from enforcing the provisions of this Agreement, or a condemnation or a similar event.

ARTICLE 4. DEFAULT; REMEDIES.

4.1 An Event of Default. Each of the following shall constitute an “Event of Default” by the Owner under this Agreement:

4.1.1 Failure by the Owner to duly perform, comply with and observe any of the conditions, terms, or covenants of any agreement with the City concerning the Project, or of this Agreement, if such failure remains uncured thirty (30) days after written notice of such failure from the City to the Owner in the manner provided herein or, with respect to a default that cannot be cured within thirty (30) days, if the Owner fails to commence such cure within such thirty (30) day period or thereafter fails to diligently and continuously proceed with such cure to completion. However, if a different period or notice requirement is specified under any other section of this Agreement, then the specific provision shall control.

4.1.2 Any representation or warranty contained in this Agreement or in any application, financial statement, certificate, or report submitted by the Owner to the City proves to have been incorrect in any material respect when made.

4.1.3 A court having jurisdiction shall have made or rendered a decree or order: (i) adjudging the Owner to be bankrupt or insolvent; (ii) approving as properly filed a petition seeking reorganization of the Owner or seeking any arrangement on behalf of the Owner under the bankruptcy laws or any other applicable debtor’s relief law or statute of the United States or of any state or other jurisdiction; (iii) appointing a receiver, trustee, liquidator, or assignee of the Owner in bankruptcy or insolvency or for any of its properties; or (iv) directing the winding up or liquidation of the Owner, providing, however, that any such decree or order described in any of the foregoing subsections shall have continued unstayed or undischarged for a period of ninety (90) days.

4.1.4 The Owner shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment or execution on any substantial part of its property, unless the property so assigned, sequestered, attached, or executed upon shall have been returned or released within ninety (90) days after such event (unless a lesser time period is permitted for cure hereunder) or prior to sale pursuant to such sequestration, attachment, or execution. If the Owner is diligently working to obtain a return or release of the property and the City’s and the City’s interests hereunder are not imminently threatened in its reasonable business judgment, then the City shall not declare a default under this subsection.

4.1.5 The Owner shall have voluntarily suspended its business or dissolved.

4.1.6 The seizure or appropriation of all or, in the reasonable opinion of the City, a substantial part of the Project, except for condemnation or similar event initiated by the City or any other governmental agency or authority.

4.1.7 There should occur any default declared by any lender under any loan document or deed of trust relating to any loan made in connection with the Project, which loan is secured by a deed of trust or other instrument affecting the Project, and such default remains uncured following the expiration of any applicable cure period.

4.2 Option to Lease. Upon the occurrence and during the continuance of an Event of Default, to cause the Project to meet the requirements of this Agreement, the Owner hereby grants to the City the option to lease up to all of the Affordable Units as necessary to achieve compliance with the provisions of Article 2 of this Agreement and for the purpose of subleasing such units in accordance with the requirements of this Agreement. The amount of rental to be paid for such rental units following the exercise of the option by the City shall be equal to the Affordable Rent. Any rental paid under any such sublease shall be paid to the City without obligation to pay any such rent to the Owner during the pendency of the Owner's default. Upon acceptance by the City of a cure by Owner or by owner's limited partner, any lease for Affordable Units with the City shall terminate and the City shall assign all subleases to Owner.

4.3 City Remedies. The City shall have the right to mandamus or other suit, action or proceeding at law or in equity to require the Owner to perform its obligations and covenants under this Agreement or to enjoin acts or things which may be unlawful or in violation of the provisions hereof, provided that in any such case the City has first provided the required notice of any alleged default and the Owner has had the requisite opportunity to cure pursuant to Section 4.1.1, above.

4.4 Action at Law; No Remedy Exclusive. The City may take whatever action at law or in equity as may be necessary to enforce performance and observance of any obligation, agreement or covenant of the Owner under this Agreement. No remedy herein conferred upon or reserved by the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of such right or power, but any such right or power may be exercised from time to time and as often as the City may deem expedient. In order to entitle the City to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice, other than such notice as may be herein otherwise expressly required or required by law to be given.

ARTICLE 5. GENERAL PROVISIONS.

5.1 Limitations on Recourse. Notwithstanding anything to the contrary contained in this Agreement, except in the event of fraud, intentional waste, or illegal acts, or with regard to any indemnity obligations imposed upon the Owner under the terms of this Agreement, (i) no partner, member, officer or director, as applicable, of the Owner (each, an "**Owner Affiliate**") shall have any direct, indirect or derivative personal liability for the obligations of the Owner under this Agreement, and (ii) the City shall not exercise any rights or institute any action against any Owner Affiliate directly, indirectly or derivatively for the payment of any sum of money that is or may become payable hereunder.

5.2 Maintenance, Repair, Alterations. The Owner shall maintain and preserve the Project in good condition and repair and in a prudent and businesslike manner. The Owner shall comply with all laws, ordinances, rules, regulations, covenants, conditions, restrictions, and orders of any governmental authority now or hereafter affecting the conduct or operation of the Project or any part thereof or requiring any alteration or improvement to be made thereon. The Owner shall not commit, suffer, or permit any act to be done in, upon, or to the Project or any part thereof

in violation of any such laws, ordinances, rules, regulations, or orders. The Owner hereby agrees that the City may conduct from time to time (but not more than once per calendar year unless an Event of Default is ongoing) through representatives, upon reasonable notice of no less than forty-eight (48) hours and subject to the rights of tenants, on-site inspections and observation of: (i) the maintenance and repair of the Project, including a review of all maintenance and repair programs and practices and all reports and records pertaining thereto, including records of expenditures relating thereto; and (ii) such other facilities, practices, and records of the Owner relating to the Affordable Units as the City reasonably deems to be necessary or appropriate in order to monitor the Owner's compliance with the provisions of this Agreement.

5.3 Notices. All notices (other than telephone notices), certificates or other communications (other than telephone communications) required or permitted hereunder shall be sufficiently given and should be deemed given when personally delivered, when sent by telegram, or when sent by facsimile (if confirmed by sending a copy of such transmission by mail the same calendar day), or forty-eight (48) hours following mailing by registered or certified mail, postage prepaid, or twenty-four (24) hours following transmission of such notice by express mail, Federal Express or similar commercial carrier, addressed as follows:

If to the City:

City of Palm Desert
73-510 Fred Waring Drive
Palm Desert, CA 92260-2578
Attn: Housing Division
Phone: (760) 346-0611
Fax: (760) 341-6372

If to the Owner:

A0358 Monterey, L.P.
2000 East 4th Street, Suite 205
Santa Ana, CA 92705
Attn: Mark Bigley
Phone: (714) 323-4006
Email: mbigley@uhcllc.net
With a copy to:

Sabelhaus & Strain, LLP
1724 10th Street, Suite 110
Sacramento, CA 95811
Attn: Stephen A. Strain, Esq.
Phone: (916) 444-0286
Email: sstrain@sabelhauslaw.com

5.4 Relationship of Parties. Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture

between the City and the Owner or the Owner's agents, employees or contractors, and the Owner shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement for the operation of the Project. The Owner has and hereby retains the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance of services hereunder. In regards to the on-site operation of the Project, the Owner shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding and all other laws and regulations governing such matters. The Owner agrees to be solely responsible for its own acts and those of its agents and employees.

5.5 No Claims. Nothing contained in this Agreement shall create or justify any claim against the City by any person the Owner may have employed or with whom the Owner may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the operation of the Affordable Units.

5.6 Conflict of Interests. No member, official or employee of the City shall make any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No officer or employee of the Owner shall acquire any interest in conflict with or inimical to the interests of the City.

5.7 Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the City shall be personally liable to the Owner, 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 the Owner or successor in connection with this Agreement or on any obligation of the City under the terms of this Agreement.

5.8 Unavoidable Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, performance of a construction obligation by any Party hereunder shall not be deemed to be in default where it is due to an "Unavoidable Delay." "**Unavoidable Delay**" means a delay due to the elements (including unseasonable weather), fire, earthquakes or other acts of God, strikes, pandemics, labor disputes, lockouts, shortages of construction materials experienced generally in the construction industry in the local area, acts of the public enemy, riots, insurrections or governmental regulation of the sale or transportation of materials, supply or labor; provided, however, that to the extent a delay is caused by any other reason that the Owner reasonably believes is beyond its control, the Owner may request, on a case-by-case basis, that the City excuse any such delay as an Unavoidable Delay and the City shall make its determinations as to whether such delay constitutes an Unavoidable Delay using its reasonable judgment.

5.9 Indemnity. The Owner shall indemnify, defend and hold harmless the Authority and City, and all of their respective officials, employees and agents (with counsel reasonably satisfactory to the Authority and/or City, as applicable), against any costs, liabilities, damages or judgments arising from claims or litigation of any nature whatsoever brought by third parties and directly or indirectly arising from the Owner's ownership or operation of the Project, or the Owner's performance of its obligations under this Agreement, and in the event of settlement, compromise or judgment hold the Authority and City free and harmless therefrom.

Notwithstanding the foregoing, the indemnity provisions contained in this Section 5.9 shall not apply with respect to any costs, liabilities, damages or judgments arising directly or indirectly from the City's rental of units within the Project as described in Section 4.2 hereof. The provisions of this Section 5.9 shall survive the term of this Agreement.

5.10 Rights and Remedies Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise or failure to exercise one or more of such rights or remedies by either Party shall not preclude the exercise by it, at the same time or different times, of any right or remedy for the same default or any other default by the other Party. No waiver of any default or breach by the Owner hereunder shall be implied from any omission by the City to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver, and such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the City to any act by the Owner requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act. The exercise of any right, power, or remedy shall in no event constitute a cure or a waiver of any default under this Agreement, nor shall it invalidate any act done pursuant to notice of default, or prejudice the City in the exercise of any right, power, or remedy hereunder or under any agreements ancillary or related hereto.

5.11 Applicable Law. This Agreement shall be interpreted under and pursuant to the laws of the State of California.

5.12 Severability. If any term, provision, covenant or condition of this Agreement is held in a final disposition by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

5.13 Legal Actions. In the event any legal action is commenced to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach thereof, the Party prevailing in any such action shall be entitled to recover against the Party not prevailing all reasonable attorneys' fees and costs incurred in such action (including all legal fees incurred in any appeal or in any action to enforce any resulting judgment), as awarded by a court of competent jurisdiction.

5.14 Binding Upon Successors. This Agreement shall be binding upon and inure to the benefit of the permitted heirs, administrators, executors, successors in interest and assigns of each of the Parties. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any successor, heir, administrator, executor or assign of such Party who has acquired an interest in compliance with the terms hereof or under law.

5.15 Time of the Essence. In all matters under this Agreement, time is of the essence.

5.16 Approval by the City. Any approvals required under this Agreement to be made by the Authority shall be made by the City Manager of the City or his or her designee. Any such approval or consent shall not be unreasonably withheld, conditioned, delayed or made, except where it is specifically provided herein that another standard applies, in which case the specified standard shall apply.

5.17 Complete Understanding of the Parties. This Agreement and the attached Exhibits constitute the entire understanding and agreement of the Parties with respect to the matters described herein.

5.18 Covenants to Run With the Land. The Owner hereby subjects the Project to the covenants, reservations, and restrictions set forth in this Agreement. 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; provided, however, that on the termination of this Agreement said covenants, reservations and restrictions shall expire. 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. No breach of any of the provisions of this Agreement shall defeat or render invalid the lien of a mortgage or deed of trust made in good faith and for value encumbering the Property or any interest of the Owner therein.

5.19 Burden and Benefit. The City and the Owner hereby declare their understanding and intent that: (i) the burden of the covenants, reservations, restrictions, and agreements set forth herein touch and concern the Property and the Project, in that Owner's legal interest in the Project is rendered less valuable thereby, (ii) the covenants, reservations, restrictions, and agreements set forth herein directly benefit the Property and the Project (a) by enhancing and increasing the enjoyment and use of the Project by certain 80% AMI Low Income Households, the intended beneficiaries of such covenants, reservations, restrictions, and agreements, (b) by making possible the obtaining of advantageous financing for the Property and the Project, and (c) by furthering the public purposes advanced by the City, and (iii) the covenants, reservations, restrictions and agreements set forth herein shall run with the Property and shall be binding for the benefit of and enforceable by the City and its successors and assigns for the entire Term of this Agreement.

5.20 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

5.21 Amendments. This Agreement may be amended only by the written agreement of the City and the Owner.

*[Remainder of this page intentionally left blank]
[Signatures appear on next page]*

WHEREFORE, the undersigned has executed this Agreement as of the date first-above written.

OWNER:

A0358 MONTEREY, L.P.,
A California limited partnership

By: A0358 Monterey Admin Holdings LLC
A California limited liability company
Its: Administrative General Partner

By: _____
Name: _____
Its: _____

By: A0358 Monterey Holdings LLC,
A California limited liability company

By: _____
Name: _____
Its: _____

CITY:

CITY OF PALM DESERT,
a public body, corporate and politic

By: _____
Name: Kathleen Kelly
Its: Mayor

ATTEST:

Anthony J. Mejia, City Clerk

APPROVED AS TO FORM:

Robert W. Hargreaves, City Attorney

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of California)

County of _____)

On _____, 2023, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____(Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of California)

County of _____

On _____, 2023, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____(Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of California)

County of _____

On _____, 2023, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____(Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Palm Desert, County of Riverside, State of California, described as follows:

PARCEL A AS SHOWN ON CERTIFICATE OF COMPLIANCE (WAIVER OF PARCEL MAP PMW 06-03), AS EVIDENCED BY DOCUMENT RECORDED OCTOBER 25, 2006 AS INSTRUMENT NO. 2006-0782511 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF PARCELS 1 AND 2 OF PARCEL MAP WAIVER NO. 99-15, RECORDED OCTOBER 15, 1999, AS INSTRUMENT NO. 1999-457541, OF OFFICIAL RECORDS (O.R.) COUNTY OF RIVERSIDE, IN THE SOUTHWEST QUARTER (SW1/4) OF SECTION 29, TOWNSHIP 4 SOUTH, RANGE 6 EAST OF THE SAN BERNARDINO MERIDIAN, CITY OF PALM DESERT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST ONE QUARTER (W1/4) CORNER OF SECTION 29, TOWNSHIP 4 SOUTH, RANGE 6 EAST OF THE SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, SAID POINT BEING ON THE CENTERLINE OF MONTEREY AVENUE; THENCE N89°58'35"E ALONG THE EAST-WEST ONE QUARTER (E-W 1/4) SECTION LINE OF SAID SECTION 29 AND THE NORTHERLY LINE OF PARCEL 2 OF PARCEL MAP WAIVER NO. 99-15, RECORDED OCTOBER 15, 1999, AS INSTRUMENT NO. 1999-457541, OF OFFICIAL RECORDS (O.R.) COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, A DISTANCE OF 1314.94 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING N89°58'35"E ALONG THE EAST-WEST ONE QUARTER (E-W 1/4) SECTION LINE OF SAID SECTION 29, THE NORTHERLY LINE OF SAID PARCEL 2 AND CONTINUING ALONG THE NORTHERLY LINE OF PARCEL 1 OF SAID PARCEL MAP WAIVER NO. 99-15, A DISTANCE OF 1314.61 FEET TO THE CENTER ONE QUARTER (C1/4) CORNER OF SAID SECTION 29, SAID POINT BEING ALSO THE NORTHEAST CORNER OF SAID PARCEL 1;

THENCE S00°09'04"E ALONG THE NORTH-SOUTH ONE QUARTER (N-S 1/4) SECTION LINE OF SAID SECTION 29 AND THE EASTERLY LINE OF SAID PARCEL 1, A DISTANCE OF 489.00 FEET TO THE NORTHEAST CORNER OF THAT PARCEL OF LAND CONVEYED TO THE PALM SPRINGS UNIFIED SCHOOL DISTRICT BY GRANT DEED, RECORDED APRIL 28, 2006, AS INSTRUMENT NO. 0308440, OF OFFICIAL RECORDS (O.R.) COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

THENCE S89°58'35"W ALONG THE NORTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN SAID INSTRUMENT NO. 0308440, A DISTANCE OF 1270.59 FEET TO THE NORTHWEST CORNER OF THAT PARCEL OF LAND DESCRIBED IN SAID INSTRUMENT NO. 0308440, SAID POINT BEING ALSO A POINT ON A NON TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1700.00 FEET AND TO WHICH POINT A RADIAL LINE BEARS 576°44'54"W;

THENCE NORTHWESTERLY AND NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 392.48 FEET THROUGH A CENTRAL ANGLE OF 13°13'40";

THENCE N00°01'26"W, A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING.

EXCEPT PARCEL NO. 2004-02.12 ("C" STREET), PARCEL NO. 2004-02.11 (AVENUE 35) AND A PORTION OF PARCEL NO. 2004-02.10 (GATEWAY DRIVE), ALL CONVEYED TO THE CITY OF PALM DESERT BY GRANT DEED, RECORDED JUNE 7, 2007, AS INSTRUMENT NO. 2007-0374053, OF OFFICIAL RECORDS (O.R.) COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST ONE QUARTER (W1/4) CORNER OF SECTION 29, TOWNSHIP 4 SOUTH, RANGE 6 EAST OF THE SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, SAID POINT BEING ON THE CENTERLINES OF MONTEREY AVENUE AND AVENUE 35; THENCE N89°58'35"E ALONG THE EAST-WEST ONE QUARTER (E-W 1/4) SECTION LINE OF SAID SECTION 29 AND THE CENTERLINE OF SAID AVENUE 35, A DISTANCE OF 1314.94 FEET TO THE CENTERLINE INTERSECTION OF SAID AVENUE 35 AND GATEWAY DRIVE; THENCE CONTINUING N89°58'35"E ALONG THE EAST-WEST ONE QUARTER (E-W 1/4) SECTION LINE OF SAID SECTION 29 AND THE CENTERLINE OF SAID AVENUE 35, A DISTANCE OF 71.07 FEET; THENCE S00°01'25"E, A DISTANCE OF 54.00 FEET TO THE SOUTHERLY LINE OF PARCEL NO. 2004-02.11 (AVENUE 35) CONVEYED TO THE CITY OF PALM DESERT BY GRANT DEED, RECORDED JUNE 7, 2007, AS INSTRUMENT NO. 2007-0374053, OF OFFICIAL RECORDS (O.R.) COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, SAID POINT BEING 54.00 FEET SOUTHERLY OF THE CENTERLINE OF SAID AVENUE 35, AS MEASURED AT RIGHT ANGLES THERETO, SAID POINT BEING ALSO THE TRUE POINT OF BEGINNING;

THENCE N89°58'35"E ALONG THE SOUTHERLY LINE OF SAID PARCEL NO. 2004-02.11 (AVENUE 35), A DISTANCE OF 782.06 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 946.00 FEET;

THENCE EASTERLY AND SOUTHEASTERLY ALONG THE SOUTHERLY LINE OF SAID PARCEL NO. 2004-02.11 (AVENUE 35) AND THE ARC OF SAID CURVE, A DISTANCE OF 220.33 FEET THROUGH A CENTRAL ANGLE OF 13°20'40" TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1054.00 FEET AND TO WHICH POINT A RADIAL LINE BEARS S13°19'14"W;

THENCE SOUTHEASTERLY ALONG THE SOUTHERLY LINE OF SAID PARCEL NO. 2004-02.11 (AVENUE 35) AND THE ARC OF SAID CURVE, A DISTANCE OF 185.57 FEET THROUGH A CENTRAL ANGLE OF 10°05'15";

THENCE 552°30'03"E ALONG THE SOUTHERLY LINE OF SAID PARCEL NO. 2004-02.11 (AVENUE 35), A DISTANCE OF 27.78 FEET TO THE WESTERLY LINE OF PARCEL NO. 2004-02.12 ("C" STREET) CONVEYED TO THE CITY OF PALM DESERT BY GRANT DEED, RECORDED JUNE 7, 2007, AS INSTRUMENT NO. 2007-0374053, OF OFFICIAL RECORDS (O.R.) COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

THENCE S00°09'04"E ALONG THE WESTERLY LINE OF SAID PARCEL NO. 2004-02.12 ("C" STREET), A DISTANCE OF 365.78 FEET TO THE NORTHERLY LINE OF THAT PARCEL OF LAND CONVEYED TO THE PALM SPRINGS UNIFIED SCHOOL DISTRICT (P.S.U.S.D.) BY GRANT DEED, RECORDED APRIL 28, 2006, AS INSTRUMENT NO. 2006-0308440, OF OFFICIAL RECORDS (O.R.) COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

THENCE 589°58'34"W ALONG THE NORTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN SAID INSTRUMENT NO. 2006-0308440 (P.S.U.S.D.), A DISTANCE OF 1176.61 FEET TO THE EASTERLY LINE OF PARCEL NO. 2004-02.10 (GATEWAY DRIVE) CONVEYED TO THE CITY OF PALM SPRINGS BY GRANT DEED, RECORDED JUNE 7, 2007, AS INSTRUMENT NO. 2007-0374053, OF OFFICIAL RECORDS (O.R.) COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, SAID POINT BEING ALSO A POINT ON A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1646.00 FEET AND TO WHICH POINT A RADIAL LINE BEARS S76°15'06"W;

THENCE NORTHWESTERLY AND NORTHERLY ALONG THE EASTERLY LINE OF SAID PARCEL NO. 2004-02.10 (GATEWAY DRIVE) AND THE ARC OF SAID CURVE, A DISTANCE OF 392.80 FEET THROUGH A CENTRAL ANGLE OF 13°40'23";

THENCE N00°04'31"W ALONG THE EASTERLY LINE OF SAID PARCEL NO. 2004-02.10 (GATEWAY DRIVE), A DISTANCE OF 28.94 FEET TO THE SOUTHERLY LINE OF SAID PARCEL NO. 2004-02.11 (AVENUE 35);

THENCE N44°57'02"E ALONG THE SOUTHERLY LINE OF SAID PARCEL NO. 2004-02.11 (AVENUE 35), A DISTANCE OF 24.05 FEET TO THE POINT OF BEGINNING.

APN: 694-130-017 (Affects a portion of the land);

694-130-018 (Affects a portion of the land);

694-130-019 (Affects a portion of the land); and

694-130-020 (Affects a portion of the land)

EXHIBIT "B"

HOUSEHOLD INCOME CERTIFICATION

(Attached.)

**AFFORDABLE HOUSING
HOUSEHOLD INCOME CERTIFICATION**

Applicant (s) Name: _____

Address: _____ Unit No. _____ # Bedrooms: _____

Program Eligibility and Affordability verifications for Low Income Households shall be performed as required by Title 25 subject to eligibility verification procedures and requirements described therein, and as amended from time to time. The following outlines how annual income is calculated to determine household income eligibility, which is required in order to determine a person, family or Household to be a "Qualified Household" as established by the Program and Redevelopment Law.

The following questions will assist you in completing the HOUSEHOLD INCOME CERTIFICATION. When answering the questions answer "Yes" if any of the information requested or income source pertains to any person, co-applicant, or adult individual member of the household (individuals 18 years and older) during the 12 months following the date of the certification.

| HOUSEHOLD COMPOSITION (List all members of the household including yourself that will occupy the unit applied for.) | | | |
|--|-----------------------------|-----------------------------------|-------------------------|
| Last Name | First Name & Middle Initial | Relationship to Head of Household | Date of Birth (MM/YYYY) |
| | | Self | |
| | | | |
| | | | |
| | | | |
| | | | |
| TOTAL HOUSEHOLD MEMBERS: | | | # |

PART I. HOUSEHOLD INCOME INFORMATION

| YES | NO | All sources are to be disclosed below for all household members unless otherwise excluded by Title 25 Section | MONTHLY AMOUNT |
|--------------------------|--------------------------|--|---|
| <input type="checkbox"/> | <input type="checkbox"/> | 1 EMPLOYMENT (wages, overtime, etc.) <i>List name of employer: _____</i> | (use <u>gross</u> income; amount before any pay deductions) \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 2 SELF EMPLOYED <i>List nature of self employment: _____</i> | (use <u>net</u> income from business) \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 3 OTHER EMPLOYMENT RELATED COMPENSATION (i.e.; tips, bonuses) | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 4 SOCIAL SECURITY INCOME | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 5 SUPPLEMENTAL SECURITY INCOME (SSI) | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 6 CASH CONTRIBUTIONS <i>(i.e.; From third parties including gifts' for rent or utility payments)</i> | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 7 PUBLIC ASSISTANCE INCOME <i>(Welfare, food stamps, foster care assistance)</i> | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 8 UNEMPLOYMENT BENEFITS | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 9 VETERAN'S BENEFIT/INCOME | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 10 DISABILITY OR DEATH BENEFITS OTHER THAN SSI | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 11 CHILD SUPPORT/ALIMONY/SPOUSAL SUPPORT PAYMENTS <i>(Received by any and all household members. Note for how many children did you receive support: _____)</i> | \$ _____ |

Rev 3/12/10

| | | INCOME INFORMATION (CONTINUED) | | |
|-------------------------------------|--------------------------|---|--|----------------|
| YES | NO | All sources are to be disclosed below for all household members unless otherwise excluded by Title 25 Section | | MONTHLY AMOUNT |
| <input type="checkbox"/> | <input type="checkbox"/> | 12 | TRUSTS PAYMENTS, ANNUITY PAYMENTS, RETIREMENT PAYMENTS, WORKERS COMPENSATION PAYMENTS, SEVERANCE PAYMENTS, LOTTERY WINNINGS OR OTHER INCOME. <i>List sources:</i> _____ | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 13 | RENTAL, REAL OR PERSONAL PROPERTY INCOME | \$ _____ |
| TOTAL MONTHLY INCOME (BOX A) | | | | \$ _____ |

PART II. HOUSEHOLD ASSET INFORMATION

| YES | NO | All sources are to be disclosed below for all household members unless otherwise excluded by Title 25 Section | | CASH VALUE |
|----------------------------------|--------------------------|---|--|------------|
| <input type="checkbox"/> | <input type="checkbox"/> | 1 | CHECKING ACCOUNT(S): <i>List bank(s):</i> _____ | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 2 | SAVINGS ACCOUNT(S): <i>List bank(s):</i> _____ | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 3 | TRUST ACCOUNT(S): <i>List bank(s):</i> _____ | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 4 | REAL ESTATE: <i>Provide description:</i> _____ | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 5 | STOCKS, BONDS, OR TREASURY BILLS: <i>List sources/bank names:</i> _____ | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 6 | CERTIFICATES OF DEPOSIT (CD) OR MONEY MARKET ACCOUNT(S): <i>List Sources/bank names:</i> _____ | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 7 | IRA/LUMP SUM PENSION/KEOGH ACCOUNT/401 K: <i>List bank(s):</i> _____ | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 8 | LIFE INSURANCE POLICY CASH VALUE: <i>How many policies:</i> _____ | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 9 | DISPOSED OF ASSETS (i.e. gave away money/assets for less than the fair market value in the past 2 years) <i>List items and date disposed:</i> _____ | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 10 | OTHER ASSETS OR CAPITAL INVESTMENTS <i>Describe source:</i> _____ | \$ _____ |
| TOTAL ASSET VALUE (BOX B) | | | | \$ _____ |

PART III. HOUSEHOLD STUDENT STATUS

| YES | NO | | All sources are to be disclosed below for all household members who are STUDENTS unless otherwise excluded by Title 25 Section | AMOUNT |
|---|--------------------------|---|---|----------|
| <input type="checkbox"/> | <input type="checkbox"/> | 1 | IS ANY HOUSEHOLD MEMBER A FULL-TIME STUDENT <i>(i.e.; College/University, trade school, etc.)</i> | |
| <i>IF QUESTION NO. 1 IS NO, SKIP TO PART IV</i> | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | 2 | DOES STUDENT FILE A JOINT TAX RETURN WITH OTHER HOUSEHOLD MEMBERS | |
| <input type="checkbox"/> | <input type="checkbox"/> | 3 | IS STUDENT A DEPENDENT OF ANOTHER INDIVIDUAL <i>Explain: _____</i> | |
| <input type="checkbox"/> | <input type="checkbox"/> | 4 | DOES STUDENT RECEIVE FINANCIAL AID. IF YES ENTER AMOUNT <i>(i.e.; Public or private, not including student loans).</i> | \$ _____ |
| <i>IF QUESTION NO. 4 IS NO, SKIP TO PART IV</i> | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | 5 | DOES STUDENT RECEIVE FINANCIAL AID THAT INCLUDES HOUSING/SHELTER ALLOWANCE. IF YES ENTER AMOUNT. | \$ _____ |
| TOTAL FINANCIAL AID ASSISTANCE (BOX C) | | | | \$ _____ |

PART IV. HOUSEHOLD UNUSUAL EXPENSES

| YES | NO | | All sources are to be disclosed below for all household members unless otherwise excluded by Title 25 Section | AMOUNT |
|---|--------------------------|---|---|----------|
| <input type="checkbox"/> | <input type="checkbox"/> | 1 | MEDICAL EXPENSES NOT COVERED BY INSURANCE EXCEEDING 25% OF THE GROSS HOUSEHOLD ANNUAL INCOME INCLUDING INSURANCE MONTHLY PREMIUM <i>Describe _____</i> | \$ _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | 2 | UNUSUAL EXPENSES PAID BY HEAD OF HOUSEHOLD UNUSUAL FOR THE CARE OF MINORS UNDER 13 YEARS OF AGE, DISABLED, OR HANDICAPPED HOUSEHOLD MEMBERS NECESSARY FOR GAINFUL EMPLOYMENT <i>Describe _____</i> | \$ _____ |
| TOTAL ANNUAL UNUSUAL EXPENSES (BOX D) | | | | \$ _____ |
| <i>(Explanation of Benefits must be provided as proof and all receipts for the non-covered medical expenses.)</i> | | | | |

TOTAL NET ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES
(Box (A + B + C) - (D) = total)

\$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum household income eligibility. I/we have provided each person(s) set forth in Part I acceptable verification of current anticipated annual income. I/we agree to notify immediately upon any changes in income, household size or composition, or any other information.

Under penalty of perjury of the laws of the State of California, I/we certify that the information presented in the Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

| | | | |
|-----------|------|-----------|------|
| Signature | Date | Signature | Date |
| Signature | Date | Signature | Date |

[https://palmdesertcity.ny.aharcpoint.com/personal/locobren_city/palmdesert_org/Documents/Desktop/Household Income Certification Form Celine Edt 9.1.22.doc](https://palmdesertcity.ny.aharcpoint.com/personal/locobren_city/palmdesert_org/Documents/Desktop/Household%20Income%20Certification%20Form%20Celine%20Edt%209.1.22.doc)

EXHIBIT “C”

CERTIFICATE OF CONTINUING COMPLIANCE

CITY OF PALM DESERT

OWNER'S CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

To: City of Palm Desert
73-510 Fred Waring Drive
Palm Desert, CA 92260
ATTN: HOUSING DIVISION

Report Date: _____

Certification Dates: From: _____

To: _____

Project Name: _____

Project No.: _____

Project Address: _____

City: _____ Zip: _____

Tax ID # of Ownership Entity: _____

The undersigned _____ on behalf of _____ (the "Owner"), hereby certifies that:

- No buildings have been placed in service.
- At least one building has been placed in service, but owner elects to begin credit period in the following year.

If either of the above applies, please check the appropriate box, and proceed to page 3 to sign and date this form.

All buildings ARE in service.

1. The Project meets the minimum requirements of (as outlined in the Agreement):

- _____
- _____

2. Has there been a change in any building in the Project?

- No Change
- Change

If "Change", list the applicable change in the project for the certification year on page 4.

3. The Owner has received an annual Household Income Certification from each low-income resident and documentation to support that certification, at their initial occupancy and annually.

- Yes
- No

4. Each low-income unit in the Project has been rent-restricted pursuant to Section _____ of the Agreement:

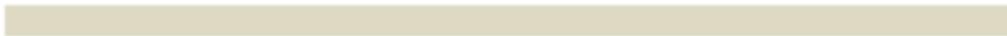
- Yes
- No

5. Has there been a finding of discrimination under the Fair Housing Act, 42 U.S.C. 3601-3619, for this Project? A finding of discrimination includes an adverse final decision by the Secretary of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency, 42 U.S.C. 3616a(a)(1), or an adverse judgment from a federal court:
- No Finding Finding
- If "Finding", state the nature of the finding on page 4.
6. Each building in the Project is and has been suitable for occupancy, taking into account local health, safety and building codes (or other habitability standards), and the state or local government unit responsible for making building code inspections did not issue a report of a violation for any building or low-income unit in the project:
- Yes No
- If "No," state the nature of violation on page 4 and attach a copy of the violation report and any documentation of correction.
7. Has there been a **change in the eligible basis** (as defined in _____ of the Agreement) of any building in the project since last certification submission?
- No Change Change
- If "Change," state nature of change on page 4 (e.g., a common area has become commercial space, a fee is now charged for a tenant facility formerly provided without charge, or the project owner has received federal subsidies with respect to the project which had not been disclosed).
8. All tenant facilities included, such as swimming pools, other recreational facilities, parking areas, washer/dryer hookups and appliances were provided on a comparable basis without charge to all tenants in the buildings:
- Yes No
9. If a low-income unit in the Project has been vacant during the year, reasonable attempts were, or are being, made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units were or will be rented to tenants not having a qualifying income:
- Yes No
10. If the income of tenants of a low-income unit in any building increased above the limit, the next available unit of comparable or smaller size in that building was or will be rented to residents having a qualifying income:
- Yes No
11. An extended low-income housing commitment, wherein an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437s. Owner has not refused to lease a unit to an applicant based solely on their status as a holder of a Section 8 voucher:
- Yes No N/A
12. The owner has complied with and not evicted or terminated the tenancy of an existing tenant of any low-income unit other than for good cause:
- Yes No

13. Has there been a change in the ownership or management of the Project?

No Change Change

If "Change," complete page 4 detailing the changes in ownership or management of the project.



NOTE: Failure to complete this form in its entirety will result in noncompliance with the program requirements. In addition, any individual other than an owner or general partner of the project is not permitted to sign this form.

The project is otherwise in compliance with Affordable Housing Agreement No. _____ and all other applicable laws, rules, and regulations. This Certification and any attachments are made UNDER PENALTY OF PERJURY of the Laws of the State of California.

Signature: _____

Name: _____

Title: _____

Date: _____

PLEASE EXPLAIN ANY ITEMS THAT WERE ANSWERED "NO," "CHANGE" OR "FINDING ON QUESTIONS 1-15.

| Question # | Explanation (if applicable) |
|------------|-----------------------------|
| 2 | |
| 5 | |
| 6 | |
| 7 | |
| 13 | |

CHANGES IN OWNERSHIP OR MANAGEMENT
(To be completed **ONLY** if "CHANGE" marked for Question 15 above)

TRANSFER OF OWNERSHIP:

| | |
|------------------------------------|--|
| Date of Change: | |
| Taxpayer ID Number: | |
| Legal Owner Name: | |
| General Partnership: | |
| Status of Partnership (LLC, etc.): | |

CHANGE IN OWNER CONTACT:

| | |
|----------------------|--|
| Date of Change: | |
| Owner Contact: | |
| Owner Contact Phone: | |
| Owner Contact Email: | |

CHANGE IN MANAGEMENT CONTACT

| | |
|------------------------------|--|
| Date of Change: | |
| Management Co. Name: | |
| Management Address: | |
| Management city, state, zip: | |
| Management Contact: | |
| Management Contact Phone: | |
| Management Contact Email: | |

EXHIBIT “D”

2023 RENTAL RATES

TO BE INSERTED