

**Recording Requested By
and When Recorded Mail to:**

Attn: Executive Director
Carson Housing Authority
701 East Carson Street
Carson, CA 90745

FIRST AMENDMENT TO REGULATORY AGREEMENT

This FIRST AMENDMENT TO REGULATORY AGREEMENT (the "**Amendment**") is made as of January 29, 2024, amending that certain Regulatory Agreement, dated September 1, 1997, and recorded in the Official Records of the County of Los Angeles, State of California ("**Records**") on September 10, 1997, as Instrument Number 97-1399458, as affected and amended by that certain Clarification Agreement and Mutual Release executed on December 12, 2013 (the "**Clarification Agreement**"), and which Clarification Agreement is memorialized by that certain Notice of Clarification Agreement and Mutual Release dated December 12, 2013, and recorded in the Records on December 12, 2013, as Instrument No. 20131756605 (collectively, the "**Regulatory Agreement**") by and among CARSON HOUSING AUTHORITY, a public body corporate and politic ("**Agency**"), as successor to the housing assets and functions of the Carson Redevelopment Agency ("**Former RDA**"), and GRACE HOUSING LIMITED PARTNERSHIP, a California limited partnership ("**Developer**") and together with the Agency are collectively, the "**Parties**" and singularly, a "**Party**").

WHEREAS, the Developer is the owner of that certain real property located within the City of Carson, California and described in the legal description attached hereto as Exhibit "A" and incorporated by reference herein (the "**Lands**") on which that certain development consisting of a eighty-four (84) unit affordable housing project thereon known as Villaggio I (the "**Project**");

WHEREAS, the Agency provided financial assistance to the Developer for the acquisition, development, construction and operation of the Project;

WHEREAS, Developer has obtained a loan (the "**FHA Loan**") from CBRE HMF, Inc., a Delaware corporation ("**Lender**"), to be insured by the U.S. Department of Housing and Urban Development by and through the Secretary, his or her successors, assigns or designates ("**HUD**"), under Section 207, pursuant to 223(f) of the National Housing Act of 1934, as amended, and to be secured by a Multifamily Deed of Trust, Assignment of Leases and Rents, and Security Agreement ("**Security Instrument**") and HUD's form of Regulatory Agreement ("**HUD Regulatory Agreement**") and all other documents required by HUD or Lender in connection with the FHA Loan (collectively, the "**Mortgage Loan Documents**");

WHEREAS, as a condition of insuring the FHA Loan, HUD requires that the Regulatory Agreement be amended to be subordinate to the Mortgage Loan Documents; and

WHEREAS, the Agency and Developer have agreed to amend the Regulatory Agreement in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Unless specifically defined herein, all other capitalized terms not defined in this Amendment shall have the same meaning as set out in the Regulatory Agreement, as the context so requires.

2. HUD Requirements. The Regulatory Agreement is hereby amended to add a new Paragraph 16 as follows:

“16. HUD-REQUIRED PROVISIONS.

The Rider to Regulatory Agreement, attached hereto as Exhibit C is incorporated by reference into this Agreement for such time as the Project is subject to a mortgage, deed of trust or security instrument insured or held by the U.S. Department of Housing and Urban Development by and through the Secretary, his or her successors, assigns or designates (“HUD”).”

3. The Rider to Regulatory Agreement (“HUD Restrictive Covenants Rider”) attached to this Amendment as Exhibit ”B” is hereby adopted, attached and incorporated by reference to the Regulatory Agreement and which HUD Restrictive Covenants Rider may not be amended or revised without the prior written consent of HUD. To the extent of any inconsistency between the provisions of the Regulatory Agreement and the provisions of this HUD Restrictive Covenants Rider, the provisions of the HUD Restrictive Covenants Rider shall control.

4. The Regulatory Agreement, as hereby amended, is hereby ratified and approved, and remains in full force and effect.

5. The provisions of this Amendment shall be binding upon and inure to the benefit of the heirs, representatives, successors and permitted assigns of the Parties hereto.

6. Further Assurances. The Parties shall execute, acknowledge, and deliver to the other such other documents and instruments, and take such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Amendment.

7. Headings; Construction. The headings of the sections and paragraphs of this Amendment are for convenience only and shall not be used to interpret this Amendment. The language of this Amendment shall be construed as a whole according to its fair meaning and not strictly for or against any Party.

8. Governing Law. This Amendment shall be construed in accordance with the laws of the State of California and the United States of America.


9. Severability. If any provision of this Amendment is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

10. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

[SIGNATURE PAGES FOLLOW]

SIGNATURE PAGE TO
FIRST AMENDMENT TO REGULATORY AGREEMENT

CARSON HOUSING AUTHORITY,
a public body corporate and politic

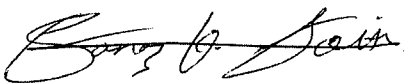
By: 
John Raymond,
Assistant Executive Director

ATTEST:

By: 
for Dr. Khaleah Bradshaw, Authority Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: 
Sunny Soltani, Authority Counsel

[NOTARY ACKNOWLEDGEMENT FOLLOWS]

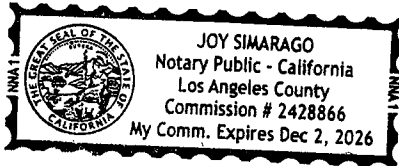
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles) SS

On January 25, 2024, before me, Joy Simarago, a notary public, personally appeared **JOHN RAYMOND**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.



Signature: Joy Simarago [Seal]

SIGNATURE PAGE TO
FIRST AMENDMENT TO REGULATORY AGREEMENT

GRACE HOUSING LIMITED PARTNERSHIP,
a California limited partnership

By: Housing Corporation of America,
a Utah nonprofit corporation

Its: Managing General Partner

By: 
Carol Cromar, President

By: Grace Housing TSA LLC,
a California limited liability company

Its: Administrative General Partner

By: Signed in Counterpart
Renee Groves, Chief Financial Officer

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

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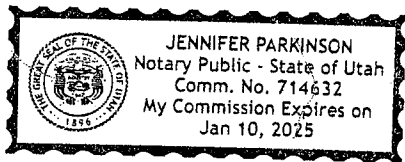
[NOTARY ACKNOWLEDGEMENTS FOLLOW]

STATE OF UTAH)
)
COUNTY OF DAVIS)

ss:

On January 8, 2024, before me, Jennifer Parkinson, a notary public, personally appeared Carol Cromar, known to me to be the person whose name is subscribed in the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Jennifer Parkinson
NOTARY PUBLIC in and for the State of Utah

CALIFORNIA ALL- PURPOSE CERTIFICATE OF 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 Los Angeles }

On January 10, 2024 before me, John Grafron Schwerbel, notary public,
(Here insert name and title of the officer)

personally appeared Renee Groves,
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.

[Handwritten Signature]

Notary Public Signature

(Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

CAPACITY CLAIMED BY THE SIGNER

Individual (s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

- This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.*
- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
 - Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
 - The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
 - Print the name(s) of document signer(s) who personally appear at the time of notarization.
 - Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
 - The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
 - Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
 - Securely attach this document to the signed document with a staple.

EXHIBIT "A"

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 2 OF PARCEL MAP 24997, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 292, PAGES 40, 41, 42 AND 43 OF MAPS, AS RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY.

PARCEL B:

NON-EXCLUSIVE EASEMENTS FOR INGRESS AND EGRESS, EMERGENCY ACCESS, AMPHITHEATER, COMMUNITY FACILITIES, CHILDREN'S SPACE, PEDESTRIAN ACCESS, VISITOR PARKING, UTILITIES, VEHICULAR ACCESS, MAINTENANCE, CONSTRUCTION AND SUPPORT ENCROACHMENTS, AND VARIOUS OTHER PURPOSES OVER PARCELS 1 AND 2 OF PARCEL MAP 24996, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 292, PAGES 44, 45, 46 AND 47 OF MAPS, AS RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, AS CREATED BY THE FOLLOWING DOCUMENTS: "EASEMENT, JOINT USE AND MAINTENANCE AGREEMENT" AS RECORDED JANUARY 14, 2000 AS INSTRUMENT NO. 2000-0064755 OFFICIAL RECORDS, AND "GRACE MIXED-USE DEVELOPMENT DECLARATION ESTABLISHING RECIPROCAL EASEMENTS AND COVENANTS RUNNING WITH THE LAND" AS RECORDED JANUARY 14, 2000 AS INSTRUMENT NO. 2000-0064757 OFFICIAL RECORDS.

APN: 7337-011-043

EXHIBIT "B"
(of First Amendment to Regulatory Agreement)

Rider to Regulatory Agreement

This RIDER TO REGULATORY AGREEMENT ("Rider") is attached and made a part of that certain Regulatory Agreement, dated September 1, 1997, and recorded in the Official Records of the County of Los Angeles, State of California ("Records") on September 10, 1997, as Instrument No. 97-1399458, as affected and amended by that certain Clarification Agreement and Mutual Release executed on December 12, 2013, and which Clarification Agreement is memorialized by that certain Notice of Clarification Agreement and Mutual Release dated December 12, 2013, and recorded in the Records on December 12, 2013, as Instrument No. 20131756605, by and between Grace Housing Limited Partnership, a California limited partnership ("Developer"), and the Carson Housing Authority, a public body corporate and politic (the "Agency").

WHEREAS, Developer has obtained financing from CBRE HMF, Inc., a Delaware corporation ("Lender") for the benefit of the project known as Villaggio I ("Project"), which loan is secured by a Multifamily Deed of Trust, Assignment of Leases and Rents, and Security Agreement ("Security Instrument") dated as of January 1, 2024, and recorded in the Records contemporaneously herewith, and is insured by the United States Department of Housing and Urban Development ("HUD");

WHEREAS, Developer has received a loan from The Carson Redevelopment Agency ("Former RDA"), which Former RDA has required certain restrictions be recorded against the Project;

WHEREAS, Developer and Agency entered into that certain Regulatory Agreement, dated September 1, 1997, and recorded in the Records on September 10, 1997, as Instrument No. 97-1399458, as affected and amended by that certain Clarification Agreement and Mutual Release executed on December 12, 2013, and which Clarification Agreement is memorialized by that certain Notice of Clarification Agreement and Mutual Release dated December 12, 2013, and recorded in the Records on December 12, 2013, as Instrument No. 20131756605 ("Restrictive Covenants");

WHEREAS, the Agency is successor to the housing assets and functions of the Former RDA;

WHEREAS, HUD requires as a condition of its insuring Lender's financing to the Project, that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, the Agency has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan in accordance with the terms of this Rider.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

(a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Rider, the provision contained in this Rider shall govern and be controlling in all respects as set forth more fully herein.

(b) The following terms shall have the following definitions:

“Code” means the Internal Revenue Code of 1986, as amended.

“HUD” means the United States Department of Housing and Urban Development.

“HUD Regulatory Agreement” means the Regulatory Agreement between Developer and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

“Lender” means CBRE HMF, Inc., a Delaware corporation, its successors and assigns.

“Mortgage Loan” means the mortgage loan made by Lender to the Developer pursuant to the Mortgage Loan Documents with respect to the Project.

“Mortgage Loan Documents” means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

“National Housing Act” means the National Housing Act, 12 USC § 1701 et seq., as amended.

“Program Obligations” has the meaning set forth in the Security Instrument.

“Residual Receipts” has the meaning specified in the HUD Regulatory Agreement.

“Security Instrument” means the Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement from Developer in favor of Lender, as the same may be supplemented, amended or modified.

“Surplus Cash” has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the “HUD Requirements”). Developer covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the

provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the Agency's ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Developer represents and warrants that to the best of Developer's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

- (d) In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate.
- (e) Developer and the Agency acknowledge that Developer's failure to comply with the covenants provided in the Restrictive Covenants does not and will not serve as a basis for default under the HUD Requirements, unless a separate default also arises under the HUD Requirements.
- (f) Except for the Agency's reporting requirements, in enforcing the Restrictive Covenants the Agency will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:
 - i. Available Surplus Cash, if the Developer is a for-profit entity;
 - ii. Available distributions of Surplus Cash and Residual Receipts authorized for release by HUD, if the Developer is a limited distribution entity;
 - iii. Available Residual Receipts authorized for release by HUD, if the Developer is a non-profit entity; or
 - iv. A HUD-approved collateral assignment of any HAP contract.
- (g) For so long as the Mortgage Loan is outstanding, Developer and Agency shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.
- (h) Subject to the HUD Regulatory Agreement, the Agency may require the Developer to indemnify and hold the Agency harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Agency relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Developer's obligation to indemnify and hold the Agency harmless shall be limited to available Surplus Cash and/or Residual Receipts of the Developer.

- (i) Intentionally omitted.

The statements and representations contained in this rider and all supporting documentation thereto are true, accurate, and complete. This certification has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring a multifamily loan, and may be relied upon by HUD as a true statement of the facts contained therein.

Warning: Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.