

RECORDING REQUESTED BY:

Southern Highlands Apartments LP
c/o Lincoln Avenue Capital Asset Management Department
401 Wilshire Blvd., Suite 1070
Santa Monica, CA 90401
Attention : Asset Management

WHEN RECORDED RETURN TO:

Southern Highlands Apartments LP
c/o Lincoln Avenue Capital Asset Management Department
401 Wilshire Blvd., Suite 1070
Santa Monica, CA 90401
Attention : Asset Management

Space above this line for Recorder's Use

FIRST AMENDMENT
TO
REGULATORY AGREEMENT

(SOUTHERN HIGHLANDS APARTMENTS)

This FIRST AMENDMENT TO REGULATORY AGREEMENT (Southern Highland Apartments) ("**First Amendment**") is made and entered into as of __ __, 2023 but shall be effective as of August 4, 2022 (the "**Effective Date**"), between SOUTHERN HIGHLANDS APARTMENTS LP, a California limited partnership ("**Owner**") and the COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY ("**CDC-HA**").

RECITALS

A. CDC-HA and Owner are parties to that certain Regulatory Agreement dated as of July 13, 2022 and recorded on August 4, 2022 as Document Number 2022-0317724 in the Official Records of San Diego County Recorder (the "**Regulatory Agreement**").

B. CDC-HA and Owner desire to enter into this First Amendment to amend certain terms of the Regulatory Agreement.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and effective as of the Effective Date, CDC-HA and Owner do hereby enter into this First Amendment as follows:

1. Incorporation of Recitals. The Recitals set forth above are true and correct and are incorporated into this First Amendment by this reference, as though fully set forth in this First Amendment.

2. Amendments to Regulatory Agreement.

2.1 Section 5 of the Regulatory Agreement. Section 5 of the Regulatory Agreement shall be amended and restated in its entirety as follows:

“Section 5. Use Restrictions. The primary use of the Property shall be restricted during the Term of this Agreement for residential use only. **All 151 Assisted Units shall remain for residential use during the Term of this Agreement as described in Section 6 of the Agreement. Notwithstanding the foregoing, commercial uses are permitted on the non-residential portions of the Property, subject to obtaining any required zoning or use permits from the City of National City.**”

3. Effect on Regulatory Agreement. All terms and conditions of the Regulatory Agreement that are not expressly and specifically modified by this First Amendment shall remain unmodified, in full force and effect and binding on the Parties. This First Amendment shall be enforceable and interpreted in accordance with a subject to all of the terms, provisions, conditions, covenants and agreements set forth in the Regulatory Agreement, except as specifically and expressly modified in this Second Amendment. On and after the date of this First Amendment, the term “Regulatory Agreement” in the Regulatory Agreement shall mean and refer to the Regulatory Agreement, as amended by this First Amendment.

4. Conflict. In the event of a conflict between the terms and conditions of this First Amendment and the terms and conditions of the Regulatory Agreement, the terms and conditions of this First Amendment shall control.

5. Counterparts. This First Amendment may be signed in counterparts (including facsimile or electronic counterparts), each of which shall be deemed an original, and all such counterparts, when taken together, shall constitute one agreement.

IN WITNESS WHEREOF, Owner and CDC-HA have executed this First Amendment as of the date first above written.

[Signatures on following pages]

**SIGNATURE PAGE
TO
FIRST AMENDMENT TO REGULATORY AGREEMENT
(Southern Highland Apartments)**

CDC-HA:

Community Development Commission – Housing
Authority of the City of National City

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Barry J. Schultz
City Attorney

ACKNOWLEDGEMENT

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 _____, before me, _____ 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)

ACKNOWLEDGEMENT

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 _____)

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**SIGNATURE PAGE
TO
FIRST AMENDMENT TO REGULATORY AGREEMENT
(Southern Highland Apartments)**

OWNER:

Southern Highlands Apartments LP,
a California limited partnership

By: PacH San Jose Holdings, LLC,
a California limited liability company,
its Managing General Partner

By: Pacific Housing, Inc.,
a California nonprofit public benefit
corporation, its Manager

By:

Name:

Title:

By: Southern Highlands MM LLC,
a California limited liability company,
its Co-General Partner

By:

Name:

Title:

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Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

For APN/Parcel ID(s): 563-010-50-00

Parcel 1 of Parcel Map No. 2788, in the City of National City, County of San Diego, State of California, according to Map thereof filed in the Office of the County Recorder of San Diego County, June 27, 1974.