

**FREE RECORDING REQUESTED
PURSUANT TO GOVERNMENT CODE
SECTION 27383**

Recording Requested by and when
Recorded return to:

County of Santa Clara
Office of Supportive Housing
Attn: HCD Division Director
2310 N. First St., Suite 201
San Jose, CA 95131

With a copy to:
County of Santa Clara
Office of County Counsel
70 W. Hedding Street, 9th Floor
San Jose, CA 95110

Project: 231 Grant Ave, Palo Alto
APN(s): 132-31-074

(Space above this line for Recorder's Use)

**COVENANTS AND RESTRICTIONS AFFECTING
REAL PROPERTY**

This Covenants and Restrictions Affecting Real Property (the "Agreement"), dated for reference purposes only as of is made and entered into for reference purposes only as of -----, 2023, by and between the County of Santa Clara, a political subdivision of the State of California ("County"), and 231 Grant Ave LLC, a California limited liability company (the "Developer").

RECITALS

1. The County and Developer are parties to that certain Ground Lease for the leasing from the County to Developer of the property known as 231 Grant Avenue, Palo Alto, California, as more particularly described on Exhibit A attached hereto (the "Property") for Developer to construct and operate a 110-unit multifamily housing project on the Property (the "Project").
2. The construction of the Project is being funded, in part, by: (i) the County from its Stanford Affordable Housing Fund and County general funds, (ii) the City of Palo Alto, (iii) funds from the Palo Alto Unified School District, the Mountain View Whisman School District, the Los Altos School District, the Mountain View/Los Altos High School District; and the Foothill De Anza Community College District (collectively, the "School Districts"), and (iv) Meta Platforms, Inc., formerly known as Facebook, Inc. ("Meta") (Each of the foregoing may be referred to as a "Project Funder", and the funds received by Developer from any Project Funder or multiple Project Funders may be referred as the "Project Funds".)

3. The Ground Lease and receipt by the Developer of the Project Funds are conditioned on Developer maintaining and operating the Project in accordance with the restrictions concerning affordability, operation, and maintenance of the Project, as specified in this Agreement.

THEREFORE, the County and the Developer hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions

In addition to the capitalized terms set forth in this Agreement above, the following terms shall have the following meanings:

- a. "Adjusted Gross Income" - the total anticipated annual income of all persons in a household, as calculated in accordance with 25 California Code of Regulations Section 6914 or pursuant to a successor California housing program that utilizes a reasonably similar method of calculation of adjusted income. In the event that no such program exists, the Developer shall provide a reasonably similar method of calculation of adjusted income as provided in said Section 6914.
- b. "Area Median Income" or "AMI" - the median gross yearly income, adjusted for family size, for the County of Santa Clara, California, as determined from time to time by HUD. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the County will provide the Developer with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by HUD and the State of California.
- c. "County Agent" shall have the meaning set forth in Section 5.6(d).
- d. "Effective Date" shall have the meaning set forth in Section 1.2.
- e. "Event of Default" shall have the meaning set forth in Section 6.5.
- f. "Excess Units" shall have the meaning set forth in Section 2.1 A.6.
- g. "HUD" - the United States Department of Housing and Urban Development.
- h. "Management Agent" shall have the meaning set forth in Section 5.2.
- i. "Meta Units" shall have the meaning set forth in Section 2.1 A.6.
- j. "Rent" - the total of monthly payments by the Tenant of a Unit for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed on the Tenant which are required of all Tenants, other than security deposits; an allowance for the cost of an adequate level of service for utilities paid by the Tenant, including garbage collection, recycling collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service, internet service or cable TV; and any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than the Tenant, and paid by the Tenant. Rent shall not include other charges including repair fees, reasonable cleaning and key charges, and the cost to tenant to charge an electric vehicle.
- k. "Resident Selection Criteria" means the Resident Selection Criteria and Policies for Santa Clara County Participating School Districts, prepared by the Developer and approved by the District as of the Effective Date, as may be amended from time to time by Developer with the approval of the School Districts.
- l. "School Districts" shall have the meaning ascribed to such term in Recital 2 above.
- m. "School District Units" shall mean those units allocated to the School Districts in Section 2.1, subsections A.1-A.5.

- n. “Tenant” - a household occupying a Unit.
- o. “Term” - the term of this Agreement, as set forth in Section 1.2.
- p. “Units” – the 109 restricted residential units on the Property. A “Unit” shall refer to one of the Units.
- q. “Qualifying Households” shall have the meaning set forth in Section 2.1 A.

All capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Ground Lease.

1.2 Term.

This Agreement commences on the date the Ground Lease is recorded in the Official Records of the County of Santa Clara (“Effective Date”) and shall continue until December 31, 2079 (“Term”).

ARTICLE 2

AFFORDABILITY AND OCCUPANCY COVENANTS

As a requirement of the Ground Lease and in consideration of the receipt of the funds from the Project Funds, Developer agrees to and accepts the restrictions, obligations and conditions contained in this Agreement, including without limitation, the occupancy and rent requirements set forth in this Article 2, as follows:

2.1 Occupancy Requirements.

- A. At all times during the Term, the number of Units set forth below shall be rented to and occupied by or, if vacant, available for occupancy by, the following “Qualifying Households”:
 - 1. Twenty-nine (29) Units for employees of Palo Alto Unified School District;
 - 2. Twelve (12) Units for employees of Mountain View Whisman School District;
 - 3. Twelve (12) Units for employees of Los Altos School District;
 - 4. Twelve (12) Units for employees of Mountain View/Los Altos High School District;
 - 5. Twelve (12) Units for employees Foothill De Anza Community College District; and
 - 6. Thirty-two (32) Units for the following, in the following priority order (collectively, the “Meta Units”):
 - a. until the end of 2029:
 - i. twenty-two (22) Units will be available to the following in the following priority order: first, to teachers and classified staff employed by the Ravenswood City School District or by a non-profit school (including pre-schools) located in the geographic area encompassed by the Ravenswood City School District, and second, to teachers and classified staff employed by the Menlo Park City School District or the Las Lomas School District, or Menlo-Atherton High School (With respect to these 22 Units, Qualifying Households enrolled under the Meta’s workforce housing program at 777 Hamilton Avenue in Menlo Park, California as of ninety (90) days prior to the Effective Date will have the first opportunity to move into the Meta Units when the Project is ready for occupancy.); and
 - ii. ten (10) Units will be allocated to the following households in the following order: first, to teachers and classified staff employed in the Menlo park City School District, Las Lomas Elementary School District, and the following schools in the Sequoia Union High School District: Menlo-Atherton High School, Tide Academy,

East Palo Alto Academy and Sequoia District Adult School, and second to teachers and classified staff employed by the Ravenswood City School District or by a non-profit school (including pre-schools) located in the area encompassed by the Ravenswood City School District;

b. beginning January 1, 2030:

- i. As the tenants occupying the thirty-two (32) Units pursuant to the above requirements move out of the Project, the replacement Units will be available to the following in the following priority order, so that there will continue to be 32 Meta Units throughout the Term: first, to teachers and classified staff employed by the Ravenswood City School District or by a non-profit school (including pre-schools) located in the area encompassed by the Ravenswood City School District, and second, to teachers and classified staff employed by the Menlo Park City School District or the Las Lomas Elementary School District, and the following schools in the Sequoia Union High School District: Menlo-Atherton High School, Tide Academy, East Palo Alto Academy and Sequoia District Adult School.

If, at any time throughout the Term, after reasonable attempts have been made by the Developer to market and lease the Meta Units to the teachers and staff described above, the Developer is not able to fill all such Units with the teachers described above (such unfilled Units, “Excess Meta Units”), Developer shall consult with Meta to develop parameters for the marketing and leasing of the Excess Meta Units to persons engaged in public safety professions (e.g. police officers, fire fighters, nurses, etc.) reasonably agreed to by Meta and the County. And, finally, if after reasonable attempts have been made to market and lease the Excess Meta Units to the public safety professionals described above, Developer is not able to fill the Units with such tenants, Developer shall consult with Meta to develop parameters for the marketing and leasing of such unused Units to persons employed by public-interest non-profit organizations reasonably agreed to by Meta and the County.

B. A Qualifying Household must have at least one (1) adult living in the household who meets the employment requirements set forth above in one of the categories set forth in 1-6 above.

C. In addition to the occupancy requirements set forth in A. and B. above:

- a. no Unit shall be leased to a Qualifying Household whose combined monthly income is in excess of 140% AMI;
- b. Thirty-nine (39) Units shall be occupied by Qualifying Households whose combined monthly income is no greater than 80% AMI.
- c. Qualifying Households must have at least one person per bedroom. Studio apartments shall have at least one occupant (and no more than two), one-bedroom apartments shall have at least one occupant (and no more than three), and two-bedroom apartments shall have a minimum of two occupants (and no more than five).
- d. Applicants for the Meta Units will be sorted by Unit size preference and selected via a lottery system for various AMI levels. So long as the requirements of this Agreement are otherwise met, the number of Units available for each AMI level may be established in writing by the Developer, from time to time, subject to the approval of Meta for the Meta Units.
- e. Applicants for each School District’s available Units will be sorted generally by Unit size preference and AMI tier and then chosen by lottery, as more particularly set forth in the Resident Selection Criteria.

D. Notwithstanding anything to the contrary herein, compliance with the marketing and occupancy requirements for the Project shall be subject to compliance with applicable laws and regulations. In the event any of the marketing and occupancy requirements for the Meta Units or any other Units are determined not to be in compliance with applicable law, Developer and the County shall work with Meta and the School Districts to revise such requirements as necessary to comply with applicable law and come as close as possible to the requirements set forth above.

2.2 Allowable Rent.

The Rent charged to Tenants shall not exceed the lesser of (a) one-twelfth of thirty percent (30%) of the applicable household AMI level for an appropriately sized household, or (b) fair market value for the Unit.

2.3 Changes in Income of Tenants.

If, upon recertification of the income of a Tenant, the Developer determines that such Tenant has an income exceeding the maximum qualifying income for the Unit as required in C.a or C.b above, such Tenant shall be permitted to continue to occupy the Unit and such Tenant's Rent may be increased to the allowable Rent set forth in Section 2.2 above, and provided, further that, if upon recertification of the income of a Tenant, the Developer determines that such Tenant has an income exceeding 160% AMI, or higher, such Tenant shall not be permitted to renew its lease for another year. Developer will rent the next available Unit to a household that qualifies under the income limits set forth in Section 2.1 above. If a household income decreases, the Rent for such household will not be reduced.

ARTICLE 3

INCOME CERTIFICATION AND REPORTING

Developer covenants, warrants, represents and agrees that:

3.1 Income Certification.

Developer will obtain, complete and maintain on file, immediately prior to initial occupancy and annually thereafter, employment and income certifications from each Tenant. Copies of Tenant employment and income certifications shall be available to Meta, the County, and the School Districts upon request. Developer shall make a good faith effort to verify that the employment and income provided by an applicant or occupying household in an income certification is accurate.

3.2 Annual Reports.

- a. Developer shall submit to the County, the School Districts, and Meta (i) not later than May 1st of each year, or such other later annual date as may be agreed to by the County, the School Districts, and Meta, (A) a statistical report, including income and rent data for all units, setting forth the information reasonably required by the County, the School Districts, and Meta to determine compliance with this Agreement, and (B) an independently audited financial statement for Developer detailing operating revenues and operating expenses for the Project, and (ii) within fifteen (15) days after receipt of a written request, any other information or completed forms reasonably requested by the County, the School Districts, or Meta.

3.3 Additional Information.

Developer shall provide any additional information reasonably requested by the County, the School Districts, or Meta. The County, the School Districts, and Meta shall have the right to examine and make copies of all books, records or other documents of Developer which pertain to the Project, at reasonable times and with prior reasonable notice.

3.4 Records.

Developer shall maintain complete, accurate and current records pertaining to the Project. All Tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of Developer and shall be maintained as required by the County, the School Districts, and Meta, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the County, the School Districts, and Meta. Developer shall retain copies of all materials obtained or produced with respect to occupancy of the Units for a period of at least three (3) years.

3.5 On-site Inspection.

The County, the School Districts, and Meta shall have the right to perform an on-site inspection of the Project at least one time per year at a reasonable time and upon reasonable notice to Developer. Developer agrees to cooperate in such inspection.

3.6 Confidentiality. Notwithstanding anything to the contrary above, Developer shall either redact or specifically mark as confidential any personal or financial Tenant information disclosed the County, the School Districts, and Meta in connection with reports and information provided pursuant to this Agreement.

ARTICLE 4

Developer covenants, warrants, represents and agrees that:

4.1 Residential Use.

The Project shall be operated for residential use, but this shall not prohibit home businesses otherwise allowed by law and use of a portion of the project as community space.

4.2 Compliance with Ground Lease.

Developer shall comply with all the terms and provisions of the Ground Lease.

4.3 Taxes and Assessments.

Developer shall pay all real and personal property taxes, payment in lieu of taxes, assessments and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event Developer exercises its right to contest any tax, assessment, or charge against it, Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest. Nothing in this Section 4.3 shall prevent Developer from applying for welfare exemption under Section 214(g) of the California Tax and Revenue Code or from applying for an exemption under Section 202 of the California Tax and Revenue Code.

ARTICLE 5

PROPERTY MANAGEMENT AND MAINTENANCE

Developer covenants, warrants, represents and agrees that:

5.1 Management Responsibilities.

Developer is responsible for all management functions with respect to the Project, including without limitation the selection of Tenants, certification and recertification of household size, income and qualifying employment, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The County will have no responsibility over management of the Project. Developer shall retain a professional property management company approved by the County in its reasonable discretion (pursuant to Section 5.2) to perform its management duties hereunder. A resident manager will also be required if management does not have an onsite presence 24 hours per day, seven days a week.

5.2 Management Agent.

The Project will at all times be managed by an experienced management agent with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe, and sanitary housing (the "Management Agent"). Developer shall submit for the County's information and records, the identity of any proposed Management Agent and such additional information regarding the background, experience and financial condition of any proposed Management Agent as is reasonably necessary to validate Developer's selection of such agent. County hereby approves Mercy Housing Property Management as the initial Management Agent for the Project.

5.3 Performance Review.

The County reserves the right to conduct an annual (or more frequent, if deemed necessary by the County) review of the management practices and financial status of the Project. The purpose of each periodic review is to enable the County to determine if the Project is being operated and managed in accordance with the requirements and standards of this Agreement. Developer shall cooperate with the County in such reviews.

5.4 Replacement of Management Agent.

If, as a result of a periodic review, the County determines in its reasonable judgment that the Project is not being operated and managed in accordance with any of the material requirements and standards of this Agreement due to the actions of the Management Agent, the County shall deliver notice of such determination to Developer. Within fifteen (15) days of receipt by Developer of such written notice, County staff and Developer shall meet in good faith to consider methods for improving the financial and operating status of the Project, including, without limitation, replacement of the Management Agent.

If, after such meeting, County staff recommends in writing the replacement of the management agent, Developer will promptly dismiss the then Management Agent pursuant to the terms of the management agreement, and shall appoint as the management agent a person or entity meeting local industry standards for a Management Agent, subject to the approval of the County.

5.5 Property Maintenance.

Developer shall, for the entire Term, maintain all interior and exterior improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition), ordinary wear and tear excepted, and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials, and in accordance with the following maintenance conditions:

The County places prime importance on quality maintenance to protect its investment and to ensure that all County and County-assisted affordable housing projects within the County are not allowed to deteriorate due to below-average maintenance. Normal wear and tear of the Project will be acceptable to the County assuming Developer agrees to provide all necessary improvements to assure the Project is maintained in good condition. Developer shall make all repairs and replacements necessary to keep the improvements in good condition and repair.

5.6 Survival and Indemnity

- a. Nothing in this Agreement shall relieve Developer, its successors and assigns, of any prior, existing or continuing obligation(s) to comply in all respects with any and all applicable statutes and regulations, including but not limited to California Health and Safety Code Section 52080 et seq. (e.g. affordability obligations and/or relocation assistance for tenants) and California Government Code Sections 65863.10 through and including 65863.13 (e.g., notice to tenants).
- b. County does not waive its right(s) to act in its regulatory or enforcement capacity as a governmental or regulatory body, including but not limited to its ability, obligation or right (discretionary or otherwise) to seek enforcement of, or take any other action pertaining to, any applicable laws in relation to any party to this Agreement, or respective successors or assigns, or any tenant rights.
- c. Those terms and conditions contained herein which by their nature should survive termination, cancelation or expiration of this Agreement shall so survive including but not limited to those recitals and terms pertaining to Developer's continuing obligations and responsibilities.
- d. Indemnity. Developer represents, warrants and agrees to defend, indemnify and hold harmless the County, its officers, elected and appointed officials, employees and agents (collectively and each a "County Agent") and each Project Funder from and against any and all claims, damages, losses, expenses, fines, penalties, judgments, demands and defense costs (including, without limitation, actual, direct, out-of-pocket costs and expenses and amounts paid in compromise or settlement and reasonable outside legal fees arising from litigation of every nature or liability of any kind or nature including civil, criminal, administrative or investigative) arising out of or in connection with this Agreement, or Developer's failure to comply with any applicable laws, excepting only such loss or damage which is directly caused by the sole negligence or willful misconduct of the indemnitee. Developer will conduct all defenses at its sole cost and expense and the indemnitee shall reasonably approve selection of Developer's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies of Developer, its affiliates or any other parties are applicable thereto. The policy limits of any insurance of Developer, its affiliates or other parties are not a limitation upon the obligation of Developer including without limitation the amount of indemnification to be provided by Developer.

ARTICLE 6

MISCELLANEOUS

Developer covenants, warrants, represents and agrees that:

6.1 Lease Provisions.

Leases used by Developer shall not contain any provision which is prohibited by law. The form of Developer lease for Units must comply with all requirements of this Agreement, and the following:

- a. Provide for termination of the lease and consent by Developer to immediate eviction (subject to applicable laws) for failure to:
 1. Provide any information required by the terms of this Agreement or reasonably requested by the Tenant to establish or recertify the Tenant's qualification, or the qualification of the Tenant's household, for occupancy in the Project in accordance with the standards set forth in this Agreement, or
 2. Initially qualify as Qualified Household as a result of any material misrepresentation made by such Tenant with respect to the income computation or certification; and
- b. Any termination or refusal by Developer to renew the lease shall be in conformance with applicable federal, state and local law, including (if applicable) Section 42 of the Internal Revenue Code.

6.2 Nondiscrimination and Confidentiality.

- a. Developer and Developer's Management Agent shall comply with all applicable Federal, State and local laws and regulations, including the County of Santa Clara's policies concerning nondiscrimination and equal opportunity in contracting. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code sections 12900 et seq.); and California Labor Code sections 1101 and 1102. Developer shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor will Developer discriminate in provision of services provided by this contract because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.
- b. Developer and Developer's Management Agent shall comply with all applicable federal, state, and local laws pertaining to the operation and management of the Project. Developer and its Management Agent shall not discriminate in the sale, lease, sublease transfer, use, occupancy, tenure or enjoyment of the Project nor shall Developer or any person claiming under or through Developer, establish or permit any such practice or practices of

discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, lessees, subtenants, sublessees, or vendees in their Project. The foregoing covenants shall run with the land.

- c. Developer and Developer's Management Agent shall comply with all applicable state and federal law governing confidentiality of medical and health information including, but not limited to, California Welfare & Institutions Code section 5328, et seq., and the HIPAA, 45 C.F.R. parts 160 and 164.

6.3 Section 8 Program Participants.

Developer will accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal rent subsidies pursuant to the program pursuant to Section 8 of the United States Housing Act, or its successor. Developer shall not apply selection criteria to Section 8 program participants that are more burdensome than criteria applied to all other prospective Tenants, nor will the Developer apply or permit the application of management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of units by such prospective Tenants.

6.4 Covenants to Run With the Land.

- a. The County and the Developer hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall run with the land, and touch and concern the Property and the Project in that Developer's legal interest in the Property and the Project is rendered less valuable thereby. The benefit of the restrictive covenants set forth in this Agreement touch and concern the land by providing housing opportunities for Low Income Tenants and their households, the intended beneficiaries of such covenants and restrictions.
- b. This Agreement binds all successors-in-interest to Developer's legal interest in the Property and the Project. Each and every contract, deed or other instrument hereafter executed covering, or conveying or otherwise transferring Developer's legal interest in the Property or any portion thereof, will be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions. The foregoing applies regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, and regardless of whether the terms of this Agreement are actually known to such other party or parties unless the County expressly releases such conveyed portion of the Property from the requirements of this Agreement.

6.5 Corrective Action Procedure Upon Default.

- a. Developer's failure to perform any term or provision of this Agreement will be considered an "Event of Default". Upon occurrence of an Event of Default, the County will give written notice to the parties identified in the manner provided in Section 6.11. Notwithstanding anything to the contrary herein, any cure of any default or Event of Default made or tendered by a County shall be deemed to be a cure by Developer and shall be approved or rejected on the same basis as if made or tendered by Developer.
- b. If the Developer does not correct the Event of Default to the reasonable satisfaction of the County within thirty (30) days after the date Developer receives the notice, or, if the breach cannot be cured within thirty (30) days, the Developer shall have such longer period as is reasonably necessary so long as Developer is diligently undertaking to cure such breach and such breach is cured within ninety (90) days, the County may, without further notice, also declare an Event of Default under the Ground Lease.

6.6 Attorneys Fees and Costs.

In any action brought to enforce this Agreement, the prevailing party is entitled to all costs and expenses of suit, including but not limited to reasonable attorneys’ fees.

6.7 Recording and Filing.

The County and the Developer will cause this Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the County of Santa Clara.

6.8 Governing Law.

This Agreement, and all the rights and duties of the parties arising from or relating in any way to the subject matter of this Agreement or the transaction(s) contemplated by it, shall be governed by, construed and enforced in accordance with the law of the State of California (excluding any conflict of laws provisions that would refer to and apply the substantive laws of another jurisdiction). Any suit or proceeding relating to this Agreement, including mediation or other alternative dispute resolution proceedings, shall be brought only in Santa Clara County, California. **EACH OF THE PARTIES CONSENT TO THE EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF THE COURTS, STATE AND FEDERAL, LOCATED IN SANTA CLARA COUNTY, CALIFORNIA.**

6.9 Waiver of Requirements.

Any of the requirements of this Agreement may be expressly waived by the County in writing, but no waiver by the County of any requirement of this Agreement will, or will be deemed to, extend to or affect any other provision of this Agreement.

6.10 Amendments.

This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title, and duly recorded in the real property records of the County of Santa Clara.

6.11 Notices.

All notices, demands or other communications of any type under this Agreement shall be in writing and shall be (a) delivered in person, in which event the notice shall be deemed received when delivery is actually made; (b) sent by overnight courier for next business day delivery, in which event the notice shall be deemed received on the first business day after delivery to, and acceptance for delivery by, the courier; or (c) sent by registered mail or certified mail, postage prepaid, return receipt requested, through the United States Postal Service, in which event the notice shall be deemed received at the time of personal delivery or on the first attempted delivery on a business day. All such notices shall be sent to the following addresses:

County: County of Santa Clara
Office of Supportive Housing
2310 N. First St., Suite 201
San Jose, CA 95131
Attention: HCD Division Manager

Developer: 231 Grant Ave LLC, a California limited liability company
C/o Mercy Housing California
1256 Market Street
San Francisco, CA 94102

Attention: Tim Dunn

And:

Abode Communities
1149 S. Hill Street, Suite 700
Los Angeles, CA 90015
Attention: Lara Regus

With a copy to: Evan Gross
Gubb & Barshay LLP
505 14th Street, Suite 450
Oakland, CA 94612

Such addresses may be changed by notice to the other party given in the same manner as provided above.

6.14 Severability.

If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Agreement will not in any way be affected or impaired thereby.

6.15 Survival.

Those terms and conditions which by their nature should survive termination, expiration or cancellation of this Agreement, shall so survive.

6.16 Third-Party Beneficiaries.

The County and Developer acknowledge and agree that each Project Funder is an express third-party beneficiary of this Agreement, that each Project Funder provided its funding to Developer in reliance on the execution and recording of this Agreement, and that each Project Funder has a direct right of enforcement against Developer in the event of the Borrower's breach, default, or other non-compliance under this Agreement.

6.17 Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be considered an original, but all of which together will constitute one and the same instrument.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the County and the Developer have executed this Agreement by duly authorized representatives, all on the date first written above.

County:

County of Santa Clara,
a political subdivision of the State of California

By: _____
Consuelo Hernandez, Deputy Director,
Office of Supportive Housing

Date: _____

APPROVED AS TO FORM AND LEGALITY:

Karen Willis, Deputy County Counsel

Borrower:

231 Grant Ave LLC,
a California limited liability company

By: Mercy Housing Calwest,
a California nonprofit public benefit corporation,
its managing member

By: _____
Ramie Dare, Vice President

Date: _____

By: Abode Communities,
a California nonprofit public benefit corporation,
its member

By: _____
Lara Regus
Senior Vice President, Development

Date: _____

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, _____, Notary Public, personally appeared, _____, proved to me 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 _____

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, _____, Notary Public, personally appeared, _____, proved to me 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 _____

EXHIBIT A TO REGULATORY AGREEMENT
PROPERTY DESCRIPTION

The land referred to is situated in the County of Santa Clara, City of Palo Alto, State of California, and is described as follows:

PARCEL ONE:

Beginning at a point in the Southeasterly line of Grant Street (60.00 feet wide) as said street is shown upon that certain map entitled "Map of Addition to the Town of Mayfeld by W. Hawxhurst Esqre" which map was filed for record in the office of the Recorder of the County of Santa Clara, State of California on June 6, 1868 in Book B of Miscellaneous Records, Page 642, distant along said Southeasterly line Northeasterly 30.00 feet from its intersection with the Northeasterly line of Birch Street, formerly Second Street (40.00 feet wide); thence along the arc of a tangent curve to the left having a radius of 10.00 feet, the center of which bears Southeasterly from the aforesaid point of beginning at right angles to said Southeasterly line of Grant Avenue, through a central angle of 90°, an arc distance of 15.71 feet; thence Southeasterly and parallel with the Northeasterly line of Birch Street 43.50 feet; thence along a curve to the right, with a radius of 1035.00 feet, through a central angle of 4° 03' 08", an arc distance of 73.20 feet to a point of reverse curvature; thence along the arc of a curve to the left, with a radius of 965.00 feet, through a central angle of 0° 36' 38", an arc distance of 15.90 feet to the Southeasterly line of Lot 1 of Block 3, as said Lot and Block are shown upon the aforesaid map; thence along the Southeasterly line of said Lot 1 Northeasterly 83.58 feet to the most Easterly corner of said Lot 1; thence along the Northeasterly line of said Lot Northwesterly 142.50 feet to the Southeasterly line of Grant Street (60.00 feet wide); thence along said Southeasterly line Southwesterly 70.00 feet to the point of beginning.

PARCEL TWO:

All of Lots 2 and 3, in Block 3, as delineated and so designated upon the map entitled, "Map of Addition to the Town of Mayfield by Wm. Hawxhurst", and which map was filed in the office of the County Recorder of the County of Santa Clara, State of California, on June 6, 1868 in Book B of Miscellaneous Records, Page 642.

PARCEL THREE:

Beginning at the intersection of the Southeasterly line of Grant Street with the Southwesterly line of Third Street, now known as Park Avenue; thence Southwesterly along said line of Grant Street 100 feet; thence at right angles Southeasterly 100 feet; thence at right angles Northeasterly, 100 feet to the Southwesterly line of Third Street, now known as Park Avenue; and thence Northwesterly along said line of Third Street, now known as Park Avenue to the point of beginning and being a part of Lot 4 in Block 3 as shown on that certain map entitled, "Map of Addition to the Town of Mayfield by W. Hawxhurst, Esqre.," which map was filed for record in the office of the Recorder of the County of Santa Clara, State of California, on June 6, 1868 in Book "B" of Miscellaneous Records, Page 642.

PARCEL FOUR:

Portion of Lot 4, in Block 3, as shown upon that certain Map entitled, "Map of Addition to the Town of Mayfield by W. Hawhurst, Esq.", which Map was filed for record in the office of the Recorder of the County of Santa Clara, State of California, on June 6, 1868 in Book B of Miscellaneous Records, Page 642, and more particularly described as follows: Beginning at a point on the Southwesterly line of Third Street distant thereon Northwesterly 145.00 feet from the intersection of said line of Third Street with the Northwesterly line of Sheridan Street; thence along said line of Third Street Northwesterly 40.00 feet; thence leaving said line of Third Street and running parallel with said line of Sheridan Street,

Southwesterly 100.00 feet to the line dividing Lot 3 and 4 in Block 3 as shown upon the Map of Hawxhurst's Addition hereinabove referred to; thence along the line dividing Lots 3 and 4 in said Block 3 Southeasterly 40.00 feet; thence leaving said dividing line and running parallel with said line of Sheridan Street Northeasterly 100.00 feet to the point of beginning.

PARCEL FIVE:

Beginning at a point on the Southeasterly line of Lot 91 of the Paul Survey, a map of which was recorded July 9, 1867 in Book C of Miscellaneous Records, Page 641, Records of Santa Clara County, California, distant thereon 11.00 feet Southwesterly from the most Easterly corner of said Lot; thence Southwesterly along said Southeasterly line and its Southwesterly prolongation 351.57 feet; thence along the arc of a tangent curve to the right having a radius of 10.00 feet, through a central angle of $90^{\circ} 00'$ for an arc length of 15.71 feet, to a tangent point on the Northeasterly line of Birch Street (70 feet wide); thence Southeasterly along the Southeasterly prolongation of said Northeasterly line 80.00 feet; thence Northwesterly along a tangent curve to the right having a radius of 10.00 feet, through a central angle of $90^{\circ} 00'$ for an arc length of 15.71 feet to a tangent point on the Northwesterly line of Lot 1, Block 3 of the W. Hawxhurst Subdivision, a map of which was recorded June 6, 1868 in Book B of Miscellaneous Records, Page 642, Records of said County; thence Northeasterly along said Northwesterly line of Lot 1 and its Northeasterly prolongation 351.57 feet, to a point on the Southwesterly line of Park Boulevard (60 feet wide); thence Northwesterly along the Northwesterly prolongation of said last named line 60.00 feet, to the point of beginning.

Excepting therefrom the Northwesterly 30 feet of said land.

PARCEL SIX:

Beginning at the point of intersection of the Northeasterly line of Birch Street, formerly Second Street (40.00 feet wide) with the Southeasterly line of Grant Avenue (60.00 feet wide); thence Northeasterly along said Southeasterly line of Grant Avenue 30.00 feet to a point; thence Southerly along the arc of a tangent curve to the left, having a radius of 10.00 feet, the center of which bears Southeasterly from said last named point at right angles to said Southeasterly line, through a central angle of 90° , for an arc length of 15.71 feet; thence Southeasterly parallel with said Northeasterly line of Birch Street 43.50 feet; thence Southeasterly along the arc of a tangent curve to the right, having a radius of 1035.00 feet, through a central angle of $4^{\circ} 03' 08''$, for an arc length of 73.20 feet to a point of reverse curvature; thence Southeasterly along the arc of a curve to the left, having a radius of 965.00 feet, through a central angle of $0^{\circ} 56' 38''$, for an arc length of 15.90 feet to a point in the Southeasterly line of Lot 1, Block 3, as said Lot and Block are shown upon that certain map entitled, "Map of Addition to Town of Mayfield by W. Hawxhurst, Esqre." Which map was filed for record in the office of the abovesaid Recorder on June 6, 1868 in Book B of Miscellaneous Records, Page 642; thence Southwesterly along the Southeasterly line of said Lot 1, a distance of 16.42 feet to a point in the Northeasterly line of Birch Street; thence Northwesterly along said Northeasterly line 142.50 feet to the point of beginning. Excepting therefrom any portion thereof lying within Parcel Five described above.

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