

**SECOND AMENDMENT TO AGREEMENT BETWEEN  
COUNTY OF SAN MATEO ("County"),  
CITY OF SAN MATEO ("City") AND ITS REDEVELOPMENT AGENCY ("Agency"),  
AND  
MID-PENINSULA COALITION BELLE HAVEN, INC. ("Contractor"),  
FOR THE ACQUISITION AND OPERATION OF A TRANSITIONAL HOUSING  
FACILITY**



HSA Contact Person:  
Marina Yu  
HCD Specialist III  
802-5039

**SECOND AMENDMENT TO AGREEMENT BETWEEN  
COUNTY OF SAN MATEO ("County"), CITY OF SAN MATEO ("City")  
AND ITS REDEVELOPMENT AGENCY ("Agency"), AND  
MID-PENINSULA COALITION BELLE HAVEN, INC. ("Contractor"),  
FOR THE ACQUISITION AND OPERATION OF A TRANSITIONAL  
HOUSING FACILITY**

**THIS AMENDMENT TO AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2003, by and between the County, City, Agency, and Contractor as named above.

**WITNESSETH**

**WHEREAS**, on July 26, 1988, the County, City and Agency executed an agreement (by County Resolution No. 50628; and Agency Resolution No. 40-88) to provide \$805,000 to Contractor to assist in property acquisition at 319-325 Villa Terrace, San Mateo ("Property"), and conversion of the existing improvements on the Property to a homeless shelter; and

**WHEREAS**, on August 21, 1989, the above agreement was amended (by County Resolution No. 53427; Agency Resolution No. 17-89; and City Resolution No. 171-89) to increase the funding by \$69,292 to cover additional rehabilitation work on the shelter for a total funding of \$874,292 (the agreement and amendment together known as "Earlier Agreement"); and

**WHEREAS**, the funding provided pursuant to the Earlier Agreement was structured as a 0% loan with an equity share provision; and

**WHEREAS**, since the funding provided pursuant to the Earlier Agreement was for 100% of the purchase price and rehabilitation work, and therefore Contractor accrued no equity benefit from long-term ownership of the Property; and

**WHEREAS**, in 1988 Contractor had formed a separate nonprofit entity called Shelter Network of San Mateo County ("Lessee") and on April 1, 1989, Contractor and Lessee executed a renewable 10-year lease to allow Lessee to operate the homeless shelter; and

**WHEREAS**, on April 1, 2002, Contractor executed a new 30-year land lease, which allows Lessee to redevelop the Property into a new homeless emergency and transitional housing facility; and

**WHEREAS**, all parties to the Earlier Agreement desire to amend it to allow Contractor to participate in benefits of ownership; and

**WHEREAS**, the parties have negotiated a new 30-year term on the funding to Contractor to run concurrently with the term of the 30-year land lease between Contractor and Lessee, and a new principal loan amount equivalent to the loan amount provided pursuant to the Earlier Agreement plus simple interest accruing at the annual rate of 3% from the effective date of the loan provided pursuant to the Earlier Agreement; and

**WHEREAS**, the new loan amount has been calculated to be \$1,202,700; and

**WHEREAS**, the purpose of this amendment is not to add new funding but merely to recast the loan provided in the Earlier Agreement, and also to supercede the terms and conditions of the Earlier Agreement.

**NOW, THEREFORE IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

<b><u>CONTRACT</u></b>		<b><u>CONTRACT TERM</u></b>	
<b><u>AMOUNT</u></b>	\$1,202,700.00	Start Date :	April 1, 2002
		End Date :	March 30, 2047
<b><u>COUNTY REPRESENTATIVE</u></b>		<b><u>CONTRACTOR REPRESENTATIVE</u></b>	
Steve Cervantes		Fran Wagstaff, Executive Director	
Director Office of Housing		Mid-Peninsula Coalition Belle Haven, Inc.	
262 Harbor Blvd., Bldg A		658 Bair Island Road, Suite 300	
Belmont, CA 94002		Redwood City, CA 94063	
(650) 802-5050	(650) 802-5049	(650) 299-8000	(650) 299-8020
<b><u>CITY AND AGENCY REPRESENTATIVE</u></b>			
Bob Beyer, Com. Dev. Director			
City of San Mateo			
330 West 20th Avenue			
San Mateo, CA 94003			
(650) 522-7220		(650) 522-7221	

**1. EXHIBITS** - The following exhibits are attached hereto and incorporated by reference:

- Exhibit A: Program/Project Description
- Exhibit B: Method and Rate of Payment to Contractor
- Exhibit C: 504 Assurances
- Exhibit D: Monitoring
- Exhibit E: Program Specific Requirements
- Exhibit F: Equal Benefits Compliance Declaration

In the event there is a conflict between the language in this Agreement and that in the Exhibits, the language in the Exhibits shall control.

**2. SERVICES TO BE PERFORMED**

In consideration of the payments hereinafter set forth in Exhibit B, Contractor, under the general direction of the Director of Human Services (the "Director"), or her authorized representative, with respect to the product or result of Contractor's services, shall perform services as described in Exhibit A.

### 3. PAYMENTS

A. **Maximum Amount.** In full consideration of Contractor's performance of the services described in Exhibit A, the amount that the County, City and Agency shall be obligated to pay under this Agreement shall not exceed One Million Two Hundred Two Thousand Seven Hundred Dollars (\$1,202,700.00). The parties understand and agree that this \$1,202,700 represents the \$874,292 loaned to Contractor pursuant to the Earlier Agreement plus interest accruing at the annual rate of 3% simple interest from the date of the loan made pursuant to the Earlier Agreement, and that no additional funds are provided to Contractor pursuant to this Agreement.

B. **Method and Rate of Payment.** The method and rate of payment shall be as specified in Exhibit B. Any increase in the rate of payment is subject to the approval of the Director or her authorized representative, and shall not be binding on County, City and/or Agency unless so approved in writing. In no event may the rates established in Exhibit B be increased to the extent that the maximum County, City and Agency obligation shall exceed the total specified in paragraph 3A above. Each payment shall be conditioned on the performance of the services described in Exhibit A to the full satisfaction of the Director or her representative.

C. **Time Limit for Submitting Invoices.** As applicable, Contractor shall submit an invoice for services to County, City, and/or Agency for payment in accordance with the provisions of Exhibit B. County, City or Agency shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County, City, and/or Agency more than one-hundred twenty (120) days after the date services were rendered, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

D. **Availability of Funds.** Payments for all services provided pursuant to this Agreement are contingent upon the availability of City, County, State, and Federal funds. In the event the State or Federal government does not, as determined by the respective Directors, appropriate the necessary funds as part of their budgets, the County, City, or Agency shall not be liable for any payment whatsoever; including, but not limited to, payments that are based on County, City or Agency funds. The County, City and/or Agency may terminate the Agreement at any time due to the unavailability of Federal, State, County or City funds.

### 4. RELATIONSHIP OF PARTIES

It is expressly understood that this is an agreement among four (4) independent contractors and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent of the parties is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status as, and the tax consequences of being, an independent contractor. Further, as an independent contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from through and/or pursuant to the County and City Civil Services Rules.

### 5. HOLD HARMLESS

Contractor shall indemnify and save harmless County, City and Agency, their respective officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor; (B) damage to any property of any kind whatsoever and to whomever belonging; or (C) any other loss or cost, including but not limited to, the concurrent active or passive negligence of County, City and/or Agency, their respective officers, agents, employees, or servants resulting from

the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which the County, City or Agency have been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of the Contractor to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

## 6. INSURANCE

A. The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph 7 has been obtained and such insurance has been approved by the Director, and Contractor shall use all reasonable diligence to obtain such insurance and to obtain such approval. The Contractor shall furnish the Human Services Agency Office of Housing with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' advanced notice must be given, in writing, to the Human Services Agency Office of Housing of any pending change in the limits of liability or of non-renewal, cancellation, or modification of the policy.

**(1) Workers' Compensation and Employee's Liability Insurance.** The Contractor shall have in effect during the entire life of this Agreement, Workers' Compensation and Employer's Liability Insurance providing full coverage as required by the California Labor Code. In signing this Agreement, the Contractor makes the following certification, required by Section 1861 of the California Labor Code:

"I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement."

**(2) Liability Insurance.** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

- |                                       |             |
|---------------------------------------|-------------|
| (a) Comprehensive General Liability   | \$1,000,000 |
| (b) Motor Vehicle Liability Insurance | \$ -0-      |
| (c) Professional Liability            | \$ -0-      |

In the event that Contractor oversees the operations of the Project instead of the Lessee, then Contractor shall be required to provide Motor Vehicle Liability Insurance coverage in the amount of \$1,000,000.

After one (1) years from the date this Agreement is first executed, the County, City or Agency may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County, City or Agency agreements by giving sixty (60) days notice to

Contractor. The County, City, and Agency and their officers, agents, employees and servants shall be named as additional insured on all such policies of insurance required under this Agreement, which shall also contain a provision that the insurance afforded thereby to the County, City, and Agency, their officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County, City, Agency or their officers and employees have other insurance against a loss covered by such a policy, such other insurance shall be excess insurance only.

B. In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, and not replaced by Contractor, the County, City or Agency at their option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement or terminate the Agreement.

## **7. NON-DISCRIMINATION**

Contractor shall comply with the non-discrimination requirements described below:

### **A. Section 504 of the Rehabilitation Act of 1973**

(1) Pursuant to Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112), the Contractor agrees that no otherwise qualified disabled individual shall, solely by reason of a disability, be excluded from the participation in, be denied benefits of, or be subjected to discrimination in the performance of this Agreement.

(2) Contractor understands and agrees that compliance with Section 504 of the Rehabilitation Act, requires that all benefits, aids and services be made available to disabled persons on an equivalent basis with those received by non-disabled persons. Contractor agrees to: a) sign the Letter of Assurance, attached and incorporated herein as Exhibit C; or b) develop a plan for compliance to be submitted to the Section 504 Coordinator, Department of Health Services, as soon as possible but not later than by the end of the current Fiscal Year.

**B. Non-Discrimination - General.** No person shall, on the grounds of age (over 40), ancestry, creed, color, disability, marital status, medical conditions, national origin, political or religious affiliation, race, sex, sexual orientation or any other non-job-related criteria be excluded from participation in, be denied the benefits, or be subjected to discrimination under this Agreement.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which, among other things, prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

**C. Non-Discrimination - Employment.** Contractor shall ensure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this Agreement. Contractor's equal opportunity employment policies shall be made available to County, City or Agency upon request.

**D. Penalty for Violation of the Non-Discrimination Provisions.** Violation of the non-discrimination provisions contained in this Section of this Agreement shall be considered a material breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, at his sole discretion, including but not limited to any or all of the following:

- (1) Termination of this Agreement;
- (2) Disqualification of the Contractor from bidding on or being awarded future County contract for a period of up to 3 years from the date of such breach;
- (3) Liquidated damages of up to \$2,500 per violation;
- (4) Imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County.

To effectuate the provisions of this Section of this Agreement, the County or City Manager shall have the authority to:

- (1) Examine Contractor's employment records with respect to compliance with this Section of this Agreement;
- (2) Set off all or any portion of the amount described in this Section of this Agreement against amounts due to Contractor under the Agreement or any other agreement between the Contractor and County, City or Agency.

Contractor shall report to the County or City Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the United States Equal Employment Opportunity Commission, the California Fair Employment and Housing Commission or any other entity charged with the investigation of allegations of discrimination within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint and a description of the circumstances. Contractor shall provide County, City or Agency with a copy of their response to any complaint when filed.

## **8. CHILD ABUSE PREVENTION AND REPORTING**

Contractor agrees to ensure that all known or suspected instances of child abuse or neglect are reported to a child protective agency. Contractor agrees to fully comply with the Child Abuse and Neglect Reporting Act, California Penal Code §11164 et seq. Contractor will ensure that all known or suspected instances of child abuse or neglect are reported to an agency (police department, sheriff's department, county probation department if designated by the county to receive mandated reports, or the county welfare department) described in Penal Code Section §11165.9. This responsibility shall include:

A. A requirement that all employees, consultants, or agents performing services under this Agreement who are required by Penal Code Section §11166(a), to report child abuse or neglect, sign a statement that he or she knows of the reporting requirement and will comply with it.

B. Establishing procedures to ensure reporting even when employees, consultants, or agents who are not required to report child abuse under Penal Code Section §11166(a), gain knowledge of, or reasonably suspect that a child has been a victim of abuse or neglect.

C. Contractor agrees that its employees, subcontractors, assignees, volunteers, and any other persons who provide services under this Agreement and who will have supervisory or disciplinary power over a minor or any person under his or her care (Penal Code Section §11105.3) will be fingerprinted in order to determine whether they have a criminal history which would compromise the safety of children with whom Contractor's employees, subcontractors, assignees or volunteers have contact. All fingerprinting services will be at County's sole discretion and Contractor's sole expense.

## **9. ASSIGNMENT AND SUBCONTRACT**

A. Without the written consent of the Director or her representative, this Agreement is not assignable in whole or in part. Any assignment of this Agreement by Contractor without the written consent of the Director or her authorized representative violates this and shall be considered a breach of the Agreement and the County, City or Agency may, at their option terminate this Agreement.

B. Contractor shall not employ subcontractors or consultants to carry out the responsibilities undertaken pursuant to this Agreement without the written consent of the Director or her authorized representative.

C. All assignees, subcontractors, or consultants approved by the Director or her representative shall be subject to the same terms and conditions applicable to Contractor under this Agreement, and the Contractor shall be liable for the assignee's, subcontractor's or consultant's acts and/or omissions.

D. All agreements between Contractor and subcontractor and/or assignee for services pursuant to this Agreement shall be in writing and shall be provided to County, City or Agency upon request.

## **10. RECORDS**

A. Contractor agrees to provide to County, City, Agency or to any federal or state department having monitoring or reviewing authority, to County, City or Agency's authorized representatives and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine and audit all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, regulations, and ordinances, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

B. Contractor shall maintain and preserve all records relating to this Agreement in its possession of any third party performing work related to this Agreement for a period of five (5) years from the termination date of this Agreement, or until audit findings, if any, are resolved, whichever time period is greater.

## **11. COMPLIANCE WITH APPLICABLE LAWS**

All services performed under this Agreement shall be performed in accordance with all applicable Federal, State, County and Municipal laws, ordinances, regulations, and funding mandates, including but not limited to appropriate licensure, certification regulations, and requirements pertaining to confidentiality, civil rights, and quality assurance. Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.



## **12. MONITORING**

All services performed and payments made pursuant to this Agreement shall be monitored according to the protocols set forth in Exhibit D.

## **13. ALTERATION OF AGREEMENT**

This Agreement is entire and contains all the terms and conditions agreed upon by the parties. No alteration or variation shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto.

## **14. INTERPRETATION AND ENFORCEMENT**

A. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to the appropriate Representative as specified on page 1 hereof.

B. Controlling Law. The validity of this Agreement and of its terms and provisions, as well as the rights and duties of the parties hereunder, and the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

## **15. TERM OF THE AGREEMENT**

Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be as specified on page 1 hereof, unless otherwise modified in Exhibit A.

## **16. COUNTERPARTS**

This Agreement may be executed in counterparts, each part of which is deemed an original but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: \_\_\_\_\_

Rose Jacobs Gibson, President  
Board of Supervisors

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Clerk of Said Board

Date: \_\_\_\_\_

MID-PENINSULA COALITION BELLE  
HAVEN, INC.

By: **FRAN WAGSTAFF**  
**ASSISTANT SECRETARY/**  
**EXECUTIVE DIRECTOR**

Print Name & Title

Signature

Date: 1/17/03

CITY OF SAN MATEO

By: \_\_\_\_\_

Print Name & Title

Signature

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

**COUNTY OF SAN MATEO**

By:

Board of Supervisors

Date: \_\_\_\_\_

Attest:

Clerk of Said Board

Date: \_\_\_\_\_

**MID-PENINSULA COALITION BELLE  
HAVEN, INC.**

By:

Print Name & Title

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

**CITY OF SAN MATEO**

By: Claire Mack  
CLAIRE MACK, MAYOR

Date: JANUARY 8, 2003

Attest:

\_\_\_\_\_  
NORMA GOMEZ, CITY CLERK

City Clerk

Date: \_\_\_\_\_

REDEVELOPMENT AGENCY OF CITY OF SAN  
MATEO

By:

Claire Mack

CLAIRE MACK, CHAIRWOMAN

Date: JANUARY 8, 2003

Attest:

NORMA GOMEZ, SECRETARY

City Clerk

Date: \_\_\_\_\_

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

**1. Summary of Activities**

No new funding is provided by County, City or Agency in this Agreement. The amount stated in Paragraph 3A of this Agreement has already been disbursed according to the Earlier Agreement, which provided a total of \$874,292 to Contractor to acquire Property located at 319-325 Villa Terrace, San Mateo, and to make improvements to existing structures to accommodate a homeless shelter facility that will provide emergency and transitional housing and be operated by the nonprofit, Shelter Network.

This Amendment modifies the terms and conditions the funding provided in the Earlier Agreement, as described below.

- A. Principal Amount of Loan. A new Note ("New Note") and Deed of Trust ("New Deed of Trust") in favor of the County, City, and Agency, in the amount of \$1,202,700 shall be executed by Contractor upon reconveyance of the note and deed of trust referenced in the Earlier Agreement. The new principal amount of \$1,202,700 comprises the original principal of \$874,292 plus an amount calculated based on 3% simple interest from the effective date of the original note(s).
- B. Security. The New Note and New Deed of Trust shall secure the performance of all terms and conditions of this Agreement, and be secured by the Property. The New Deed of Trust shall be recorded in the County of San Mateo Recorder's Office.

The term of the New Note and New Deed of Trust shall be from April 1, 2002, and run concurrently with the land lease ("Lease") between Contractor and Lessee, which lease allows Lessee to redevelop and operate the homeless emergency shelter and transitional housing facility, First Step for Families. The New Note and New Deed of Trust shall be for a term of 30 years and shall be independent of the term of the Lease.

The New Note shall bear a simple interest of three (3) percent per annum. No payments shall be required until maturity of the New Note so long as the Property is used as a homeless emergency and transitional housing facility. Upon maturity of the New Note, the principal balance plus accrued interest shall be due and payable, and shall be distributed by County among County, City, and Agency in proportion to the amounts the County, City, and Agency loaned as described in the Earlier Agreement and reprised in the table below (this table also shows the increased principal amount of the New Note in column 4).

Funding Source	Orig. Amt Loaned in Earlier Agreement	Increased Principal (due to simple interest accrual)	New Principal Amount	Percent of Total
County	\$500,000	\$187,814	\$687,814	57.19%
Agency	\$305,000	\$114,566	\$419,566	34.89%
City	\$69,292	\$26,028	\$95,320	7.93%
<b>TOTAL</b>	<b>\$874,292</b>	<b>\$328,408</b>	<b>\$1,202,700</b>	<b>100.00%</b>

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

- C. Change of Use. Should Contractor or Lessee cease operating the Project as an emergency and/or transitional housing facility serving homeless families, Contractor shall give Lender a 30-day written notice of cessation or change of operations. Lender may give written consent for any subsequent replacement use of the Project provided that the replacement use shall be some form of shelter, transitional housing or permanent housing affordable to very-low households, as those terms are defined in this Exhibit A to this Agreement. Should the replacement use generate rental revenues as determined by Lender, Contractor shall make repayments from Surplus Cash as described below:

At the anniversary date of the Note which shall be concurrent with the anniversary date of the Ground Lease, Contractor shall make payments to County on behalf of Lender, with payment equal to 50% of Surplus Cash based on the previous year's Project operations, as defined later below. Payments shall be applied first to accrued interest and secondly toward reduction of principal.

Proceeds from repayment of the Note, including interest, shall be distributed to the parties comprising the Lender in direct proportion to the amounts each of the parties originally provided Contractor under this Agreement. County shall be the lead agent to receive repayments from the Contractor and shall make the distribution to the City and the Agency within 45 days of receipt of any repayment from Contractor.

Surplus Cash

Surplus Cash shall be defined as follows:

All rental and incidental income from Project, but excluding tenant security deposits (and any interest earned on said deposits) and capital contributions by Project Owners or its partners, less the following to the extent consistent with an annual independent financial audit to be provided by Contractor or Project Owners: all actual Project operating expenses, utilities, maintenance expenses, real estate taxes, operating reserves not to exceed 3% of operating expenses, replacement reserves not to exceed 0.6% of actual hard cost of construction, property management fee not to exceed 6% of gross effective income, principal and interest paid on loans to which the loan represented by the Note and corresponding Deed of Trust is subordinate.

The annual audit must indicate that the operating and replacement reserves were actually funded before Project can include these amounts in the calculation to determine Surplus Cash. If the reserve amounts actually taken exceed the above allowances, Contractor or Project Owners shall obtain approval from County in writing to allow Project to include the higher reserve amounts in the calculation for Surplus Cash. Depreciation will not be allowed as an operating expense for purposes of calculating Surplus Cash.

A copy of the annual independent financial audit shall be delivered to the County not later than 120 days after the end of Project's fiscal year. Payment to the County out of Surplus Cash shall be delivered to the County not later than 120 days after the end of each fiscal year.

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

- D. Prepayment. Prepayments may be made at any time without penalty.
- E. Due on Sale, Refinance or Transfer of Title. Contractor shall not sell or refinance the Property or assign its rights under this Agreement without obtaining the prior written consent of the County, City and Agency. In the event of a sale or transfer of the Property or any interest therein by Contractor, the entire principal balance of the New Note, including any accumulated interest, shall, at the option of the County, City and Agency, be due and payable. With the prior written consent of the County, City and Agency, the New Note may be assumed or transferred if the Property is continued for an approved affordable housing use and the new owner agrees in writing to the terms and conditions of this Agreement and the New Note and New Deed of Trust.
- F. Acceleration of Note. In the event Contractor breaches any of the terms and conditions of this Agreement after notice and an opportunity to cure as provided in this Agreement, the Contractor will be in default of the terms and conditions of the New Note, and the County, City, or Agency may demand immediate and full payment of the principal amount of the New Note, and/or may initiate foreclosure proceedings under the New Deed of Trust.
- G. Rent and Occupancy Restrictions. In the event that the Project is not used as an emergency or transitional shelter, the units must be occupied by households ("Qualified Households") whose income does not exceed the Very Low-Income limit as specified below, as such limit may be adjusted from time to time by HUD or any successor agency. The rent on said units ("Affordable Units"), including tenant paid utilities, may not exceed the Low HOME Rent specified below, as such rent may be adjusted from time to time by HUD or any successor agency. The manager's unit shall be excluded from this provision.
- H. Rent and Occupancy Definitions. The following definitions, and dollar amounts stated in these definitions, may be adjusted from time to time based on action by HUD or any successor agency, and any such adjustments shall be incorporated by reference into the applicable definition for purposes of this Agreement.

- a. Low HOME Rent is rent that is 30% of annual income for households at the Very Low-Income limit for San Mateo County, as defined below, adjusted for family size, minus tenant paid utilities.

If tenant is paying any utilities, a "utility allowance" must be deducted from the above rent figures. This allowance is calculated by HUD under 24 CFR Part 880 - 886 and should be obtained annually by contacting the San Mateo County Housing Authority.

As of 2002, the Low HOME Rents (assuming landlord paid utilities) are:

<u>Studio</u>	<u>1-BR</u>	<u>2-BR</u>	<u>3-BR</u>	<u>4-BR</u>
\$891	\$954	\$1,145	\$1,323	\$1,476

- b. Very Low-Income is the qualifying income with adjustments for family size, for very low income households as established by HUD pursuant to Section 8 of the United States Housing Act of 1937, as amended. These income limits are adjusted from time to time.

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

As of 2002, the Very Low-Income limits are:

Fam. Size	1	2	3	4	5	6
Income	\$35,650	\$40,700	\$45,800	\$50,900	\$54,950	\$59,050

I. Rental Agreement for Affordable Units. In the event that units are rented to Qualified Households, the following rental conditions shall apply:

1. Selection of Qualified Households. Contractor shall select Qualified Households on a non-discriminatory basis, consistent with such other general qualifications that Contractor applies equally to all prospective tenants of the residential units on the Property.

Contractor shall not restrict the rental or lease of any of the Affordable Units on the basis of age, race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry, or physical or mental disability of any person. Contractor shall not establish or permit any practice or practices of discrimination or segregation as to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in any of residential units subject to this Agreement that discriminates on the basis of age, race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry, or physical or mental disability.

2. Monitoring Qualifications. Once an Affordable Unit is occupied by a Qualified Household, Contractor shall annually review the qualifications submitted by that tenant, and ascertain if that tenant still qualifies for an Affordable Unit; this shall be completed no later than the anniversary date of the recording date of this Agreement each year. In each lease agreement between Contractor and the tenant, the tenant shall be notified of the review procedure.

If after execution of the lease agreement between a tenant and Contractor, at the time of the annual review it is determined that the tenant's household income has increased to exceed 60% of the area median income, tenant will be declared out of compliance. Contractor shall require tenants who are out of compliance to move out after a 6-month notice period.

3. Rental or Lease Restrictions. As part of the lease agreement for any Affordable Unit, Contractor shall impose and require the following restrictions:

a. The Affordable Unit will be occupied by the Qualified Household, or at least one adult thereof who is shown on the lease as a lessee, as his or her principal residence, for the duration of the Qualified Household's interest in the Affordable Unit. The Affordable Unit shall not be subleased by the Qualified Household.

b. The Qualified Household shall maintain the Affordable Unit in good repair and in a clean, neat, and sanitary condition.



**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

- c. The Affordable Unit shall not be utilized contrary to any law.
- d. The Qualified Household shall be required to provide Contractor income documentation annually.

J. Fire and Extended Insurance Coverage. Contractor shall either provide at its own costs, or require of the Lessee, that there be maintained on the improvements that are the subject of this Agreement a policy of standard fire and extended coverage during the life of the New Note and New Deed of Trust securing this Agreement, or any subsequently executed document which replaces the New Note and New Deed of Trust, with vandalism and malicious mischief endorsements, to the extent of at least the full replacement value of the improvements which are part of the premises. The insurance policy shall be issued in the names of Contractor and the County, City, and Agency as their interests appear. The insurance policy shall contain a lender's loss payable endorsement, providing that any proceeds shall be payable to the County, City and Agency as their interests appear.

In the event that Contractor or Lessee shall undertake to restore the damaged improvements or to reconstruct the destroyed improvements within a period of sixty (60) days, such insurance proceeds received by the County, City and Agency shall be released to Contractor or Lessee, as the case may be, as payments are required for said purposes, and upon completion of such restoration or reconstruction, any balance thereof remaining shall be paid to Contractor or Lessee forthwith.

In the event that Contractor or Lessee, as the case may be, shall fail to undertake the restoration or reconstruction of such improvements within sixty (60) days following any such damage or destruction, there shall be paid and released to the County, City, or Agency from such insurance proceeds a sum equal to the cost of clearing the premises in the event Contractor or Lessee does not at its own expense clear the premises within said period. The balance shall be held to compensate the parties to this Agreement as if the premises were sold. Contractor shall also sell the vacant land on the open market and the proceeds of said land sale shall be distributed among the parties to this Agreement.

K. Reporting Requirements. If the Lease to Shelter Network is in effect, and Shelter Network is in compliance with the Lease, Contractor will have no reporting requirements. Subsequent to assuming responsibility for operations as described in this Agreement. Contractor shall provide data showing the income levels and other demographic information of households served by the facility as requested, directly to Agency, City and County for the previous fiscal year ending each June 30 by September 1<sup>st</sup> of each year.

L. Term of Agreement. The term of this Agreement shall remain in full force and effect for a period of forty five (45) years from the date of this Agreement.

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

**2. Responsibilities relating to the County's OBM Initiative**

Contractor shall engage in activities and supply information required to implement the County's Outcome-Based Management and Budgeting (OBM) initiative. Activities include, but are not limited to:

- Attending planning and informational meetings;
- Developing program performance and outcome measurements;
- Collecting and submitting data necessary to fulfill measurement requirements;
- Participating in technical assistance and training events offered by the Human Services Agency and seeking technical assistance and training necessary to fulfill measurement requirements;
- Participating in a review of performance and outcome information;
- Comply with OBM Implementation Guidelines as specified in memos released by the Human Services Agency.

County, through the Human Services Agency, shall:

- Provide technical assistance and support to assist contractor's implementation of the County's Outcome-Based Management and Budgeting (OBM) initiative;
- Issue and review OBM Implementation Guidelines;
- Conduct review of performance and outcome information.

**Exhibit B**  
**METHOD AND RATE OF PAYMENT TO CONTRACTOR**

---

Notwithstanding Paragraph 4A of this Agreement, it is acknowledged that no payments by County, City, or Agency shall be made as all disbursements have been made prior to execution of this Amendment.

**Exhibit C**  
**ASSURANCE OF COMPLIANCE WITH SECTION 504**  
**OF THE REHABILITATION ACT OF 1973**  
(Required only from Contractors who provide services  
directly to the Public on the County's behalf)

---

The Contractor hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.\*

The Contractor gives this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance. The Contractor recognizes and agrees that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor.

The Contractor: (check a or b)

- a. ☒ employs fewer than 15 persons
- b. ☐ employs 15 or more persons and, pursuant to section 84.7(a) of the regulation (45 C.F.R. 84.7(a)), has designated the following person to coordinate its efforts to comply with the DHHS regulations.

Name of 504 Person (type or print)

---

I certify that the above information is complete and correct to the best of my knowledge.

Date: 1/17/03

By: 

Signature & Title of Authorized Official  
**FRAN WAGSTAFF**

**ASSISTANT SECRETARY/  
EXECUTIVE DIRECTOR**

- \* DHHS regulations have provided that if a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with the facility accessibility regulations other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible.

**Exhibit D**  
**PROGRAM MONITORING**

---

Contractor shall provide or require Lessee to provide to County, City and/or Agency, on demand, all requested income and demographic data about the recipients of services under this Agreement. This data may include race, family size, income, sex and handicap status, if any, of the head of household.

In accordance with Paragraph 11 of this Agreement, upon reasonable notice, County, City, Agency, the United States Department of Housing & Urban Development ("HUD"), the Comptroller General of the United States, or any other relevant monitoring agencies, or successor agencies, or any of their duly authorized representatives shall be provided access to any books, documents, papers, records of Contractor which are directly pertinent to this Project, for the purpose of making audits, examinations, excerpts and transcriptions, Contractor shall further provide or require Lessee to provide County, City, and/or Agency, and relevant monitoring agencies reasonable access to the physical premises covered under this Agreement for inspections from time to time for compliance with the terms of this Agreement.

Contractor shall provide or require Lessee to provide County with an Annual Audit Report each year during the term of this Agreement. The Audit report must include a statement of compliance with OMB Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations".

**Exhibit E**  
**PROGRAM SPECIFIC REQUIREMENTS**  
**HOUSING & COMMUNITY DEVELOPMENT**

---

**1. BREACH OF AGREEMENT**

This Agreement is governed by applicable federal statutes and regulations, as referred to elsewhere herein. Any material deviation by Contractor for any reason from the requirements thereof, or from any other provision of this Agreement, shall constitute a breach of this Agreement and may be cause for termination at the election of County, City, Agency or upon the direction of HUD. County, City, or Agency may terminate this Agreement for cause after giving Contractor notice of any breach or default and 30 days to cure said breach or default. In the event of termination by whatever means, all finished and unfinished work shall become the property of County, City, and Agency, and the County shall have the right to direct Contractor's actions with respect to access to materials.

County, City and Agency reserves the right to waive any and all breaches of this Agreement, and any such waiver shall not be deemed a waiver of all previous or subsequent breaches. In the event County chooses to waive a particular breach of this Agreement, it may condition same on payment by Contractor of actual damages occasioned by such breach of Agreement and shall make every effort to resolve the same quickly and amicably.

**2. AGREEMENT TERMINATION**

In the event Contractor is unable to fulfill its responsibilities under this Agreement for any reason whatsoever, including circumstances beyond its control, County, City or Agency may terminate this Agreement in whole or in part in the same manner as for breach hereof.

**3. CONFLICT OF INTEREST**

No members, officers, or employees or agents of County, no member of the County's Board of Supervisors, City or Agency's governing board and no other public official who exercises any function or responsibility with respect to this program during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in this Agreement or a related subcontract, or the proceeds thereof.

No members, officers, or employees or agents of Contractor, no member of the Board of Directors of Contractor, and no other official who exercises any function or responsibility with respect to this program during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in the Agreement or a related contract, or the proceeds thereof.

Contractor shall incorporate the above provisions into all contracts awarded in connection with this Agreement.

**4. LOBBYING PROHIBITED**

Federal funds shall not be used by Contractor for publicity or propaganda purposes designed to support or defeat legislation pending before federal, state or local government. Federal funds shall not be used by Contractor to influence an officer or employee of any agency, a Member of

**Exhibit E**  
**PROGRAM SPECIFIC REQUIREMENTS**  
**HOUSING & COMMUNITY DEVELOPMENT**

---

Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the award of any Federal contract.

**5. INFLUENCING PROHIBITED**

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of Contractor to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, Contractor will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions; and

C. The language of paragraphs 5A and 5B shall be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**6. COMPLIANCE WITH FEDERAL LAWS AND REGULATIONS**

Contractor, to the extent applicable to this Agreement, shall comply with the following Federal laws and regulations as set forth in 24 CFR §§570.600-612:

A. Public Law 88-352, Title VI of the Civil Rights Act of 1964, which provides that no person in the United States shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance, including community development funds, on the grounds of race, color, or national origin.

B. Public Law 90-284, Fair Housing Act (42 U.S.C. §§3601- 20), which provides that it is the policy of the United States to provide, within constitutional limitations, fair housing throughout the United States and prohibits any person from discriminating in the sale, rental, or financing of housing on the basis of race, color, religion, sex, national origin handicap or familial status. The Fair Housing Act, as amended in 1988, also establishes requirements for the design and construction of new rental or for sale multifamily housing to ensure a minimum level of accessibility for persons with disabilities. Multifamily dwelling units in buildings containing 4 or more units served by one or more elevators, or ground floor dwellings units with 4 or more units, constructed for first occupancy after March 13, 1991, must be designed and constructed in a manner that the public and common use portions of such dwellings are readily accessible to and usable by disabled persons. All premises within such dwellings must incorporate features of adaptive design regarding accessibility routes into and through the dwelling and design features within the units. (Regarding

**Exhibit E**  
**PROGRAM SPECIFIC REQUIREMENTS**  
**HOUSING & COMMUNITY DEVELOPMENT**

---

accessibility design issues, State accessibility requirements will prevail if they are stricter than federal requirements.)

C. Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in the delivery of services, programs or benefits supported by Federal funds.

D. Rehabilitation Act of 1973, Section 504, which prohibits discrimination against otherwise qualified handicapped persons in the provision of programs, facilities and employment supported by Federal funds.

In the case of multifamily rental housing, projects of five or more units must be designed and constructed to be readily accessible to and usable by persons with disabilities. For new construction involving five or more units, and substantial rehabilitation projects of 15 or more units (with substantial rehabilitation defined as rehabilitation costs representing 75 percent or more of the replacement costs of the completed facility), the following requirements must be followed - a minimum of 5 percent of the dwelling units must be accessible to individuals with mobility impairments and an additional 2 percent accessible to individuals with sensory impairments. At the minimum, one unit shall be made accessible to mobility-impaired individuals and one unit accessible to sensory impaired individuals. When less than substantial rehabilitation is undertaken in multifamily rental housing projects of any size, these alterations must, to the maximum extent feasible, make the dwelling units accessible to and usable by individuals with disabilities, until a minimum of 5 percent of the dwelling units (but not less than one unit) are accessible to persons with mobility impairments; for this category of less than substantial rehabilitation, the additional 2 percent of the units for persons with sensory impairments does not apply. Also for this category of rehabilitation, if undertaking accessibility alterations imposes undue financial and administrative burdens on the operation of the multifamily housing project, the alterations are not required.

In the case of non-housing facilities involving new construction, the facilities shall be designed and constructed to be readily accessible to and usable by persons with disabilities. For facilities involving alterations, to the extent possible, the alterations should ensure that such facilities are readily accessible to and usable by individuals with disabilities. An element of an existing non-housing facility need not be made accessible, if doing so, would impose undue financial and administrative burdens on the operation of the recipient program or activity. (However, State law will prevail if State accessibility requirements are stricter than federal 504 requirements.) Recipients are still required to take other actions that would ensure that persons with disabilities receive the benefits and services of the program.

E. Davis-Bacon Act, which requires that all laborers and mechanics employed by contractors or subcontractors on construction work financed in whole or in part with Federal funds shall be paid prevailing wages of the locality as determined by the Secretary of Labor.

F. Flood Disaster Protection Act of 1973, which provides that no federal financial assistance for acquisition or construction purposes may be approved for an area having special flood hazards unless the community in which the area is located is participating in the National Flood Insurance Program.



**Exhibit E**  
**PROGRAM SPECIFIC REQUIREMENTS**  
**HOUSING & COMMUNITY DEVELOPMENT**

---

G. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, which provides for relocation assistance for any family, individual, business, non-profit organization or farm displaced as a result of acquisition of property with federal funds.

H. Executive Order 11246, amended by Executive Order 12086, Equal Employment and Contracting Opportunities, which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federally assisted construction contracts.

I. Housing and Urban Development Act of 1968, Section 3, which requires that, in the planning and carrying out of any project assisted under the Act, that to the greatest extent feasible, opportunities for training and employment be given to low and moderate income persons residing within the unit of local government in which the project is located, and that contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing in the same unit of local government as the project.

J. Lead-Based Paint Poisoning Act, which prohibits the use of lead-based paint in residential structures constructed or rehabilitated with Federal assistance.

**7. UNIFORM ADMINISTRATIVE REQUIREMENTS**

A. Contractor, if a governmental entity or public agency, shall comply with the requirements and standards of OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments", OMB Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and applicable sections of 24 CFR §85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments", as set forth in 24 CFR §570.502(a).

B. Contractor, if a non-profit organization, shall comply with the requirements and standards of OMB Circular No. A-122, "Cost Principles for Non-Profit Organizations", OMB Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations", and applicable Attachments to OMB Circular No. A-110, as set forth in 24 CFR §570.502(b).

C. The CFDA # for the entitlement programs to which this applies are as follows:

- 1) Community Development Block Grant (CDBG): 14.218
- 2) Emergency Shelter Grant (ESG): 14.231
- 3) HOME Investment Partnership (HOME): 14.239
- 4) McKinney Supportive Housing: 14.235

**Exhibit F**  
**Equal Benefits Compliance Declaration**

---

**I Vendor Identification**

Name of Contractor: MID-PENINSULA COALITION BELLE HAVEN, INC.

Contact Person: Fran Wagstaff, Executive Director

Address: 658 Bair Island Road, Suite 300  
Redwood City, CA 94063

Phone Number: (650) 299-8000 Fax Number: (650) 299-8020

---

**II Employees**

Does the Contractor have any employees? \_\_\_ Yes   /   No

Does the Contractor provide benefits to spouses of employees? \_\_\_ Yes \_\_\_ No

---

**III Equal Benefits Compliance (Check one)**

- ☐ Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
  - ☐ Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
  - ☐ No, the Contractor does not comply.
  - ☐ The Contractor is under a collective bargaining agreement which began on \_\_\_\_\_ (date) and expires on \_\_\_\_\_ (date).
- 

**IV Declaration**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 17<sup>th</sup> day of Jan, 2013 at Redwood City, Ca.  
(City) (State)

  
Signature

**FRAN WAGSTAFF**  
**ASSISTANT SECRETARY/**  
**EXECUTIVE DIRECTOR**  
Name (please print)

\_\_\_\_\_  
Title

SAN MATEO COUNTY  
MEMORANDUM

**DATE:** 2/4/2003  
**TO:** Priscilla Harris Morse FAX: 363-4864 PONY: EPS 163  
**FROM:** Lucho Bravo  
FAX: (650) 596-3478 PONY: HSA210  
**SUBJECT:** Contract Insurance Approval

The following is to be completed by the department before submission to Risk Management:

CONTRACTOR NAME: Mid-Peninsula Coalition Belle Haven, Inc.

DOES THE CONTRACTOR TRAVEL AS A PART OF THE CONTRACT SERVICES?:  
No

NUMBER OF EMPLOYEES WORKING FOR CONTRACTOR:  
0

DUTIES TO BE PERFORMED BY CONTRACTOR FOR COUNTY: Please see memorandum

The following will be completed by Risk Management:

INSURANCE COVERAGE:	Amount	Approve	Waive	Modify
Comprehensive General Liability	\$ 2M	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motor Vehicle Liability	\$ 1M	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional Liability	\$	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Workers' Compensation	\$ 1M	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS/COMMENTS:

  
Risk Management Signature

2-5-03  
Date

<b>CERTIFICATE OF INSURANCE</b>						<b>ISSUE DATE:</b> 2/4/03												
<b>PRODUCER:</b>  <b>ACORDIA OF CALIFORNIA INSURANCE SERVICES, INC.</b> <b>45 FREMONT STREET, SUITE 800</b>  <b>SAN FRANCISCO, CALIFORNIA 94105 415-541-7900</b>			THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER OTHER COVERAGE AFFORDED BY THE POLICIES BELOW.  <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center; padding: 2px;">COMPANIES AFFORDING COVERAGE</th> </tr> </thead> <tbody> <tr> <td style="width: 30%; padding: 2px;">COMPANY LETTER A</td> <td style="padding: 2px;">Travelers Indemnity Company of Illinois</td> </tr> <tr> <td style="padding: 2px;">COMPANY LETTER B</td> <td style="padding: 2px;">Travelers Indemnity Company of Illinois</td> </tr> <tr> <td style="padding: 2px;">COMPANY LETTER C</td> <td style="padding: 2px;">Travelers Indemnity Company of Illinois</td> </tr> <tr> <td style="padding: 2px;">COMPANY LETTER D</td> <td style="padding: 2px;">State Compensation Insurance Fund</td> </tr> <tr> <td style="padding: 2px;">COMPANY LETTER E</td> <td style="padding: 2px;">Aetna Casualty &amp; Surety</td> </tr> </tbody> </table>				COMPANIES AFFORDING COVERAGE		COMPANY LETTER A	Travelers Indemnity Company of Illinois	COMPANY LETTER B	Travelers Indemnity Company of Illinois	COMPANY LETTER C	Travelers Indemnity Company of Illinois	COMPANY LETTER D	State Compensation Insurance Fund	COMPANY LETTER E	Aetna Casualty & Surety
COMPANIES AFFORDING COVERAGE																		
COMPANY LETTER A	Travelers Indemnity Company of Illinois																	
COMPANY LETTER B	Travelers Indemnity Company of Illinois																	
COMPANY LETTER C	Travelers Indemnity Company of Illinois																	
COMPANY LETTER D	State Compensation Insurance Fund																	
COMPANY LETTER E	Aetna Casualty & Surety																	
<b>INSURED:</b>  <b>Mid-Peninsula Coalition Belle Haven, Inc.</b>  <b>658 Blair Island, Suite 300</b>  <b>Redwood City, CA 94063 Company: 203</b>																		
<b>COVERAGES AND LIMITS</b>																		
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.																		
CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE	POLICY EXP. DATE	DESCRIPTION	LIMITS												
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> <b>COMM. GENERAL LIAB.</b> <input type="checkbox"/> <b>CLAIMS MADE</b> <input checked="" type="checkbox"/> <b>OCCURRENCE</b> <input type="checkbox"/> <b>OWNER'S &amp; CONTRACT'S PROT</b> <input type="checkbox"/> _____	PJ-630-265X4826-TIL 03	1-1-03	1-1-04	GENERAL AGGREGATE PROD-COMP/OP AGG. PERS & ADV. INJURY EACH OCCURRENCE FIRE DAMAGE (One Fire) MEDICAL EXPENSE (One Person)	2,000,000 2,000,000 1,000,000 1,000,000 50,000 5,000												
B	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> <b>ANY AUTO</b> <input type="checkbox"/> <b>ALL OWNED AUTOS</b> <input type="checkbox"/> <b>SCHEDULED AUTOS</b> <input type="checkbox"/> <b>HIRED AUTOS</b> <input type="checkbox"/> <b>NON-OWNED AUTOS</b> <input type="checkbox"/> <b>GARAGE LIABILITY</b> <input type="checkbox"/> _____	PJ-610-265X4826-TIL 03	1-1-03	1-1-04	COMBINED SINGLE LIMIT BODILY INJURY (Per Person) BODILY INJURY (Per Accident) PROPERTY DAMAGE	1,000,000												
C	<b>EXCESS LIABILITY</b> <input checked="" type="checkbox"/> <b>UMBRELLA FORM</b> <input type="checkbox"/> <b>OTHER THAN UMBRELLA FORM</b>	PSMJ-CUP-346K085-2-TIL-03	1-1-03	1-1-04	EACH OCCURRENCE AGGREGATE	10,000,000 10,000,000												
D	<b>WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY</b>	Group 498 Unit 3231	10-1-02	10-1-03	<input checked="" type="checkbox"/> <b>STATUTORY LIMITS</b> EACH ACCIDENT DISEASE - POLICY LIMIT DISEASE - EACH EMPLOYEE	1,000,000 1,000,000 1,000,000												
E	<b>OTHER INSURANCE</b> <b>Employee Dishonesty</b>	005BU103137233BCM	1-1-03	1-1-04	Each Occurrence	2,000,000												
<b>DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS:</b> Certificateholder is named as Additional Insured per CG D105 attached. Re: 310 - 325 Villa Terrace, San Mateo, CA ground lease. Subject to ten (10) days notice of cancellation for non-payment of premium																		
<b>NAME AND ADDRESS OF CERTIFICATE HOLDER:</b>  County of San Mateo  262 Harbor Blvd., Building A Belmont, CA 94002			<b>CANCELLATION:</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.  <b>AUTHORIZED REPRESENTATIVE:</b> 															

COMMERCIAL GENERAL LIABILITY

POLICY NUMBER: PJ-630-265X4826-TIL03

NAMED INSURED: Mid-Peninsula Coalition Belle Haven, Inc.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BLANKET ADDITIONAL INSURED – OWNERS, LESSEES  
OR CONTRACTORS**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

**PROVISIONS:**

1. WHO IS AN INSURED (SECTION II) is amended to include as an insured any person or organization (called hereafter "additional insured") whom you have agreed in a written contract, executed prior to loss, to name as additional insured, but only with respect to liability arising out of "your work" or your ongoing operations for that additional insured performed by your or for you.

in a written contract for this insurance to apply on a primary or contributory basis.
2. With respect to the insurance afforded to Additional Insureds the following conditions apply:
  - a. Limits of Insurance – The following limits of liability apply:
    1. The limits which you agreed to provided; or
    2. The limits shown on the declarations, whichever is less.
  - b. This insurance is excess over any valid and collectible insurance unless you have agreed
3. This insurance does not apply:
  - a. on any basis to any person or organization for whom you have purchased an Owners and Contractors Protective policy.
  - b. to "bodily injury," "property damage," "personal Injury," or "advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
    1. The preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
    2. Supervisory, inspection or engineering services.

**CERTIFICATE HOLDER:**

County of San Mateo , A Political Subdivision of the  
State of California Housing & Community  
Development  
262 Harbor Blvd., Building A  
Belmont, CA 94002

**AGREEMENT AMONG  
COUNTY OF SAN MATEO  
HUMAN SERVICES AGENCY OFFICE OF HOUSING,  
MID-PENINSULA COALITION BELLE HAVEN, INC., AND  
CITY OF SAN MATEO  
TO ASSIST IN RECONSTRUCTION OF FIRST STEP FOR FAMILIES  
EMERGENCY SHELTER AND TRANSITIONAL HOUSING**



HSA Contact person:  
Marina Yu  
HCD Specialist III  
(650) 802-5039

**AGREEMENT AMONG  
COUNTY OF SAN MATEO, CITY OF SAN MATEO,  
SHELTER NETWORK, AND  
MID-PENINSULA COALITION BELLE HAVEN, INC.,  
TO ASSIST IN RECONSTRUCTION OF FIRST STEP FOR FAMILIES EMERGENCY  
SHELTER AND TRANSITIONAL HOUSING**

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among the County of San Mateo ("County"), the City of San Mateo ("City"), ( together with the County and the City, the "Lender"), Mid-Peninsula Coalition Belle Haven, Inc. ("Lessor") and Shelter Network ("Lessee" or "Contractor").

**WITNESSETH**

**WHEREAS**, pursuant to Section 570.201 of Title 24 of the Code of Federal Regulations regarding the Community Development Block Grant (CDBG) Program, funding assistance may be used to fund eligible activities to be carried out by private non-profit entities duly organized to undertake community development activities or by public agencies; and

**WHEREAS**, pursuant to the National Affordable Housing Act of 1990, federal funds through the HOME Investment Partnership Act may be used to assist eligible housing development activities; and

**WHEREAS**, Contractor has applied for funding assistance under the County's CDBG and HOME Programs and from the City's Housing Program for demolition and reconstruction of the First Step for Families facility in San Mateo, which, when reconstructed, is expected to consist of 24 emergency shelter units, 15 transitional units, licensed child care space, and service and administrative space ("Project"); and

**WHEREAS**, County CDBG funds totaling \$751,800 have been approved for the Project, consisting of \$101,800 from the FY 2001-2002 County CDBG Housing Reserve Fund, FY 2002-2003 CDBG funds of \$250,000, and a FY 2003-2004 forward commitment of \$400,000, the latter two funding commitments approved as part of the CDBG Action Plan by the Board of Supervisors on May 7, 2002; and

**WHEREAS**, County HOME funds totaling \$500,000 were also approved by the Board of Supervisors on two separate occasions – \$150,000 on May 22, 2001, and \$350,000 on June 4, 2002, as part of the respective HOME Action Plans, respectively; and

**WHEREAS**, the City has allocated \$500,000 for Project, comprising \$356,500 City HOME and \$143,500 CDBG; and

**WHEREAS**, total County and City funding provided under this Agreement is \$1,751,800; and

**WHEREAS**, the land occupied by Project is owned by Lessor (a nonprofit affiliate of the Mid-Peninsula Housing Coalition) and has been leased to Contractor on a long-term basis to permit Contractor to enter into legal arrangements, including securing financing to construct the Project, and to operate an emergency and transitional housing facility for homeless families.

**NOW, THEREFORE IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

<p><b><u>CONTRACT AMOUNT</u></b>                      \$1,751,800.00</p>	<p><b><u>CONTRACT TERM</u></b></p> <p><b>Start Date :</b>    Upon execution of contract                                  by County</p> <p><b>End Date :</b>    April 1, 2032</p>
<p><b><u>COUNTY REPRESENTATIVE</u></b></p> <p>Steve Cervantes Director Office of Housing 262 Harbor Blvd., Bldg A Belmont, CA 94002  (650) 802-5050                      (650) 802-5049</p>	<p><b><u>CONTRACTOR REPRESENTATIVE</u></b></p> <p>Michele Jackson, Executive Director Shelter Network 1450 Chapin Avenue, 2nd Floor Burlingame, CA 94010  (650) 685-5880                      (650) 685-5881 Ext. 21</p>
<p><b><u>CITY REPRESENTATIVE</u></b></p> <p>Bob Beyer, Community Dev. Director 330 West 20<sup>th</sup> Avenue San Mateo, CA 94403  (650) 522-7220                      (650) 522-7201</p>	<p><b><u>LESSOR REPRESENTATIVE:</u></b></p> <p>Fran Wagstaff, Executive Director 658 Bair Island Road Suite 300 Redwood City, CA 94063  (650) 299-8000                      (650) 299-8020</p>

**1. EXHIBITS** - The following exhibits are attached hereto and incorporated by reference:

- Exhibit A: Program/Project Description
- Exhibit B: Method and Rate of Payment to Contractor
- Exhibit C: 504 Assurances
- Exhibit D: Monitoring
- Exhibit E: Program Specific Requirements
- Exhibit F: Equal Benefits Compliance Declaration
- Exhibit G: Copy of Land Lease between Contractor and Mid-Peninsula Coalition Belle Haven, Inc.

In the event there is a conflict between the language in this Agreement and that in the Exhibits, the language in the Exhibits shall control.

**2. DEFINITIONS** - See Exhibit A for any definitions.

**3. SERVICES TO BE PERFORMED**

In consideration of the payments hereinafter set forth in Exhibit B, Contractor, under the joint general direction of the Directors of the Human Services Agency (the "Directors") and the City Community Development Department, or their authorized representative, with respect to the product or result of Contractor's services, shall perform services as described in Exhibit A.



#### 4. PAYMENTS

**A. Maximum Amount.** In full consideration of Contractor's performance of the services described in Exhibit A, the amount that the Lender shall be obligated to pay under this Agreement shall not exceed One Million Seven Hundred Fifty One Thousand Eight Hundred Dollars (\$1,751,800.00), with the County being obligated to pay no more than \$1,251,800 under this Agreement, and the City and Agency being obligated to pay no more than \$500,000 under this Agreement.

**B. Method and Rate of Payment.** The method and rate of payment shall be as specified in Exhibit B. Any increase in the rate of payment is subject to the approval of the authorized representatives of, and shall not be binding on any Lender unless so approved in writing. In no event may the rates established in Exhibit B be increased to the extent that the maximum obligation of any Lender shall exceed the total specified in paragraph 4A above. Each payment shall be conditioned on the performance of the services described in Exhibit A to the full satisfaction of the Directors or their representative.

**C. Time Limit for Submitting Invoices.** As applicable, Contractor shall submit an invoice for services to County for payment in accordance with the provisions of Exhibit B. No Lender shall be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one-hundred twenty (120) days after the date services were rendered, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

**D. Availability of Funds.** Payments for all services provided pursuant to this Agreement are contingent upon the availability of City, Agency, County, State, and Federal funds. In the event the State or Federal government does not, as determined individually or jointly by the Directors, appropriate the necessary funds as part of either or both of their budgets, no Lender shall be liable for any payment whatsoever; including, but not limited to, payments that are based on City, Agency or County funds. Any Lender may terminate the Agreement at any time due to the unavailability of Federal, State, County, City or Agency funds.

#### 5. RELATIONSHIP OF PARTIES

It is expressly understood that this is an agreement between four (4) independent contractors and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent of the Parties is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status as, and the tax consequences of being, an independent contractor. Further, as an independent contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from through and/or pursuant to the San Mateo County Civil Services Rules or any similar such rules of the City and/or the Agency.

#### 6. HOLD HARMLESS

Contractor shall indemnify and hold harmless the County, the City, and/or the Agency, their officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor; (B) damage to any property of any kind whatsoever and to whomever belonging; or (C) any other loss or cost,

including but not limited to, the concurrent active or passive negligence of the County, the City, and /or the Agency, their officers, agents, employees, or servants resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which the County, the city and/or the Agency has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of the Contractor to indemnify and hold harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

## 7. INSURANCE

A. The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph 7 has been obtained and such insurance has been approved jointly by the Lender, and Contractor shall use all reasonable diligence to obtain such insurance and to obtain such approval. The Contractor shall furnish the Directors of the Human Services Agency Office of Housing and the City/Agency Community Development Department with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' advanced notice must be given, in writing, to the Human Services Agency Office of Housing and City/Agency Community Development Department of any pending change in the limits of liability or of non-renewal, cancellation, or modification of the policy.

**(1) Workers' Compensation and Employee's Liability Insurance.** The Contractor shall have in effect during the entire life of this Agreement, Workers' Compensation and Employer's Liability Insurance providing full coverage as required by the California Labor Code. In signing this Agreement, the Contractor makes the following certification, required by Section 1861 of the California Labor Code:

"I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement."

**(2) Liability Insurance.** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

(a) Comprehensive General Liability	\$1,000,000
(b) Motor Vehicle Liability Insurance	\$1,000,000
(c) Professional Liability	\$ -0-

After one (1) years from the date this Agreement is first executed, any Lender may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County, City or Agency agreements by giving sixty (60) days notice to Contractor. The County, the City and the Agency, and their officers, agents, employees and servants shall be named as additional insureds on all such policies of insurance required under this Agreement, which shall also contain a provision that the insurance afforded thereby to the County, the City, and the Agency, their respective officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County, the City, the Agency, or their respective officers and employees have other insurance against a loss covered by such a policy, such other insurance shall be excess insurance only.

B. In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, and not replaced by Contractor, any Lender at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement or terminate the Agreement.

## **8. NON-DISCRIMINATION**

Contractor shall comply with the non-discrimination requirements described below:

### **A. Section 504 of the Rehabilitation Act of 1973**

(1) Pursuant to Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112), the Contractor agrees that no otherwise qualified disabled individual shall, solely by reason of a disability, be excluded from the participation in, be denied benefits of, or be subjected to discrimination in the performance of this Agreement.

(2) Contractor understands and agrees that compliance with Section 504 of the Rehabilitation Act requires that all benefits, aids and services be made available to disabled persons on an equivalent basis with those received by non-disabled persons. Contractor agrees to: a) sign the Letter of Assurance, attached and incorporated herein as Exhibit C; or b) develop a plan for compliance to be submitted to the Section 504 Coordinator, Department of Health Services, as soon as possible but not later than by the end of the current Fiscal Year.

B. **Non-Discrimination - General.** No person shall, on the grounds of age (over 40), ancestry, creed, color, disability, marital status, medical conditions, national origin, political or religious affiliation, race, sex, sexual orientation or any other non-job-related criteria be excluded from participation in, be denied the benefits, or be subjected to discrimination under this Agreement.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which, among other things, prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

C. **Non-Discrimination - Employment.** Contractor shall ensure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this Agreement. Contractor's equal opportunity employment policies shall be made available to County upon request.

D. **Penalty for Violation of the Non-Discrimination Provisions.** Violation of the non-discrimination provisions contained in this Section of this Agreement shall be considered a material breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, at his sole discretion, including but not limited to any or all of the following:

- (1) Termination of this Agreement;
- (2) Disqualification of the Contractor from bidding on or being awarded future County contract for a period of up to 3 years from the date of such breach;
- (3) Liquidated damages of up to \$2,500 per violation;
- (4) Imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this Section of this Agreement, the County Manager shall have the authority to:

- (1) Examine Contractor's employment records with respect to compliance with this Section of this Agreement;
- (2) Set off all or any portion of the amount described in this Section of this Agreement against amounts due to Contractor under the Agreement or any other agreement between the Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the United States Equal Employment Opportunity Commission, the California Fair Employment and Housing Commission or any other entity charged with the investigation of allegations of discrimination within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint and a description of the circumstances. Contractor shall provide County with a copy of their response to any complaint when filed.

## **9. CHILD ABUSE PREVENTION AND REPORTING**

Contractor agrees to ensure that all known or suspected instances of child abuse or neglect are reported to a child protective agency. Contractor agrees to fully comply with the Child Abuse and Neglect Reporting Act, California Penal Code §11164 et seq. Contractor will ensure that all known or suspected instances of child abuse or neglect are reported to an agency (police department, sheriff's department, county probation department if designated by the county to receive mandated reports, or the county welfare department) described in Penal Code Section §11165.9. This responsibility shall include:

A. A requirement that all employees, consultants, or agents performing services under this Agreement who are required by Penal Code Section §11166(a), to report child abuse or neglect, sign a statement that he or she knows of the reporting requirement and will comply with it.

B. Establishing procedures to ensure reporting even when employees, consultants, or agents who are not required to report child abuse under Penal Code Section §11166(a), gain knowledge of, or reasonably suspect that a child has been a victim of abuse or neglect.

C. Contractor agrees that its employees, subcontractors, assignees, volunteers, and any other persons who provide services under this Agreement and who will have supervisory or disciplinary power over a minor or any person under his or her care (Penal Code Section §11105.3) will be fingerprinted in order to determine whether they have a criminal history which would compromise the

safety of children with whom Contractor's employees, subcontractors, assignees or volunteers have contact. All fingerprinting services will be at County's sole discretion and Contractor's sole expense.

## **10. ASSIGNMENT AND SUBCONTRACT**

A. Without the written consent of the Director or her representative, this Agreement is not assignable in whole or in part. Any assignment of this Agreement by Contractor without the written consent of the Director or her authorized representative violates this and shall be considered a breach of the Agreement and the County may, at its option terminate this Agreement.

B. Contractor shall not employ subcontractors or consultants to carry out the responsibilities undertaken pursuant to this Agreement without the written consent of the Director or her authorized representative.

C. All assignees, subcontractors, or consultants approved by the Director or her representative shall be subject to the same terms and conditions applicable to Contractor under this Agreement, and the Contractor shall be liable for the assignee's, subcontractor's or consultant's acts and/or omissions.

D. All agreements between Contractor and subcontractor and/or assignee for services pursuant to this Agreement shall be in writing and shall be provided to the County, the City, and/or the Agency upon request.

## **11. RECORDS**

A. Contractor agrees to provide to the County, the City, and/or the Agency, or to any federal or state department having monitoring or reviewing authority, to their respective authorized representatives and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine and audit all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, regulations, and ordinances, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

B. Contractor shall maintain and preserve all records relating to this Agreement in its possession of any third party performing work related to this Agreement for a period of five (5) years from the termination date of this Agreement, or until audit findings, if any, are resolved, whichever time period is greater.

## **12. COMPLIANCE WITH APPLICABLE LAWS**

All services performed under this Agreement shall be performed in accordance with all applicable Federal, State, County and Municipal laws, ordinances, regulations, and funding mandates, including but not limited to appropriate licensure, certification regulations, and requirements pertaining to confidentiality, civil rights, and quality assurance. Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

### **13. MONITORING**

All services performed and payments made pursuant to this Agreement shall be monitored according to the protocols set forth in Exhibit D.

### **14. PROGRAM SPECIFIC REQUIREMENTS**

Program specific requirements are contained in Exhibit E.

### **15. ALTERATION OF AGREEMENT**

This Agreement is entire and contains all the terms and conditions agreed upon by the parties. No alteration or variation shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto.

### **16. INTERPRETATION AND ENFORCEMENT**

A. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to the appropriate Representative as specified on page 1 hereof.

B. Controlling Law. The validity of this Agreement and of its terms and provisions, as well as the rights and duties of the parties hereunder, and the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

### **17. TERM OF THE AGREEMENT**

Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be as specified on page 1 hereof, unless otherwise modified in Exhibit A.

### **18. COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

**COUNTY OF SAN MATEO**

By: \_\_\_\_\_

Rose Jacobs Gibson, President  
Board of Supervisors

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Clerk of Said Board

Date: \_\_\_\_\_

**Shelter Network**

By: Michele Jackson, Executive Director

Print Name & Title

Michele Jackson  
Signature

Date: 1/10/03

**City of San Mateo**

By: \_\_\_\_\_

Print Name & Title

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

**Mid-Peninsula Coalition Belle Haven, Inc.**

By: \_\_\_\_\_

Print Name & Title

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

**COUNTY OF SAN MATEO**

By: \_\_\_\_\_

Board of Supervisors

Date: \_\_\_\_\_

Attest:

Clerk of Said Board

Date: \_\_\_\_\_

**Shelter Network**

By: \_\_\_\_\_

Print Name & Title

Signature \_\_\_\_\_

Date: \_\_\_\_\_

**City of San Mateo**

By: \_\_\_\_\_

Print Name & Title

CLAIRE MACK, MAYOR

Signature \_\_\_\_\_

*Claire Mack*

\_\_\_\_\_  
NORMA GOMEZ, CITY CLERK

Date: \_\_\_\_\_

JANUARY 8, 2003

Tax ID #: \_\_\_\_\_

**Mid-Peninsula Coalition Belle Haven, Inc.**

By: \_\_\_\_\_

Print Name & Title

Signature \_\_\_\_\_

Date: \_\_\_\_\_

Tax ID #: \_\_\_\_\_



IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

**COUNTY OF SAN MATEO**

By: \_\_\_\_\_

Rose Jacobs Gibson, President  
Board of Supervisors

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Clerk of Said Board

Date: \_\_\_\_\_

**Shelter Network**

By: \_\_\_\_\_

Print Name & Title

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

**City of San Mateo**

By: \_\_\_\_\_

Print Name & Title

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

**Mid-Peninsula Coalition Belle Haven, Inc.**  
**FRAN WAGSTAFF**

By: \_\_\_\_\_  
ASSISTANT SECRETARY/  
EXECUTIVE DIRECTOR

Print Name & Title

\_\_\_\_\_  
Signature

Date: 1/17/03

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

**A. Activities**

1. Funding under this Agreement is provided to Contractor as a loan by the County, the City, and the Agency. Funds provided by the three entities, also known severally as "Lender," are shown in the table below:

	<b>CDBG</b>	<b>HOME</b>	<b>TOTALS</b>	<b>%</b>
County	\$751,800	\$500,000	\$1,251,800	71.46%
City	\$143,500	\$356,500	\$500,000	28.54%
<b>TOTALS</b>	<b>\$895,300</b>	<b>\$856,500</b>	<b>\$1,751,800</b>	<b>100%</b>

County CDBG funding in the amount of \$751,800 includes \$400,000 of funding pre-commitment from the upcoming FY 2003-2004 CDBG program year. All parties acknowledge that the CDBG funding pre-commitment is conditioned on availability of such funding from the United States Department of Housing and Urban Development ("HUD") in FY 2003-2004. Other funding sources, shown above, include separate allocations of HOME funds from the County and the City.

2. Contractor shall use funding provided under this Agreement for eligible predevelopment and capital costs associated with demolition and reconstruction of the Project, located at 319-325 Villa Terrace, San Mateo. Project, serving homeless families, will comprise 24 emergency shelter units, 15 transitional units, licensed child care space, and service and administrative office space. The total costs to redevelop the Project is currently estimated at \$6.1 million. Contractor shall supply Lender with updated financial estimates of Project costs on at least a quarterly basis in conjunction with the quarterly status reports described below.

**B. Ground Lease Execution**

It is acknowledged that Contractor (also known as "Lessee") has executed a long-term ground lease ("Ground Lease") with Lessor. A copy of the aforementioned lease is attached herein as Exhibit G to this Agreement. Said lease is for a term of thirty (30) years, beginning from April 1, 2002.

**C. Funding Source Requirements**

Funding provided under this Agreement is through two HUD programs (HOME and CDBG) and City Housing Funds administered by either the County or the City or both.

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

**D. HOME Program Requirements**

Eleven (11) of the 15 residential units in the Project shall be HOME-assisted units under the Low HOME Rent schedule and shall comply with the following provisions:

1. HOME Definitions

The following definitions, and dollar amounts stated in these definitions, may be adjusted from time to time based on action by HUD or any successor agency, and any such adjustments shall be incorporated by reference into the applicable definition for purposes of this Agreement.

- a. **Low HOME Rent** is rent that is 30% of annual income for households at the Very Low-Income limit for San Mateo County, as defined below, adjusted for family size, minus tenant paid utilities.

If tenant is paying any utilities, a "utility allowance" must be deducted from the above rent figures. This allowance is calculated by HUD under 24 CFR Part 880 - 886 and should be obtained annually by contacting the San Mateo County Housing Authority.

As of 2002, the Low HOME Rents (assuming landlord paid utilities) are:

<u>Studio</u>	<u>1-BR</u>	<u>2-BR</u>	<u>3-BR</u>	<u>4-BR</u>
\$891	\$954	\$1,145	\$1,323	\$1,476

- b. **Very Low-Income** is the qualifying income with adjustments for family size, for very low income households as established by HUD pursuant to Section 8 of the United States Housing Act of 1937, as amended. These income limits are adjusted from time to time.

As of 2002, the Very Low-Income limits are:

Fam. Size	1	2	3	4	5	6
Income	\$35,650	\$40,700	\$45,800	\$50,900	\$54,950	\$59,050

2. Rent and Occupancy Restriction

**100% of the HOME-assisted units** (i.e., at least 11 units) must be occupied by households whose income does not exceed the Very Low-Income limit as specified above, as such limit may be adjusted from time to time by HUD or any successor agency. The rent on said units, including tenant paid utilities, may not exceed the Low HOME Rent specified above, as such rent may be adjusted from time to time by HUD or any successor agency.

The specific units affected by this Agreement shall be "floating" units, that is, there shall be no specified HOME-assisted units as long as there are a minimum number of units occupied in compliance with the HOME requirements specified above.

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

In the event that the income of a qualifying tenant increases so that the tenant no longer meets the income criteria, the Project owner will be allowed a variance to the income criteria of this Agreement until such time as said formerly qualifying tenant vacates the unit, or another unit of comparable size in the Project becomes available, at which time that unit must be rented to a qualifying tenant and the restriction shall transfer to the new unit.

**3. Deed Restriction**

In compliance with the requirements of the HOME Program, a Deed Restriction containing the "HOME Program Requirements" as specified in this Agreement shall be recorded against the real property to which this Agreement pertains. The term of said Deed Restriction shall be for Forty-Five (45) years, beginning from the time the Project receives a Notice of Occupancy or a Notice of Completion, whichever occurs earlier. The Deed Restriction shall stand independent of this Agreement and its terms and conditions shall survive the expiration of this Agreement. Lessor hereby consents to the recording of the Deed Restriction containing the "HOME Program Requirements."

**E. CDBG Program Requirements**

All remaining units in the Project, including the emergency units, shall also be occupied by and affordable to Very Low-Income households or families. Very Low-Income is defined above. The manager's unit shall be excluded from this provision.

**F. Security**

Prior to any disbursement of funds, Contractor shall execute and deliver a Promissory Note ("Note") and Deed of Trust in favor of the Lender in an amount equal to One Million Seven Hundred Fifty-One Thousand Eight Hundred and 00/100 Dollars (\$1,751,800) to secure the performance of all terms and conditions of this Agreement. The proportion of Loan proceeds provided by the parties comprising the Lender is indicated in Paragraph A above and repeated here for convenience:

County: 71.46%  
City/Agency: 28.54%

The Deed of Trust shall be secured by Contractor's leasehold interest described in Exhibit G and be recorded in the Office of the Recorder of the County of San Mateo.

Upon execution, the term of the Note and Deed of Trust shall be retroactive to begin from the date of execution of Ground Lease and extend for Thirty (30) Years. The Note and Deed of Trust shall be executed prior to any disbursement of funds under this Agreement.

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

**G. Repayment**

The principal amount under the Note shall bear a simple interest rate of three percent (3%) per annum. At the anniversary date of the Note which shall be concurrent with the anniversary date of the Ground Lease, Contractor shall make payments to County on behalf of Lender, with payment equal to 50% of Surplus Cash based on the previous year's Project operations, as defined later below. Payments shall be applied first to accrued interest and secondly toward reduction of principal.

Loan repayments are due annually 90 days from the end of the Project's fiscal year, subject to the condition that so long as the Project is operated as an emergency and transitional housing facility serving homeless families, the principal shall be forgiven One-Thirtieth (1/30) for each full year of Project operation. For each year that the principal is forgiven, so also shall interest accrued for that year be forgiven. Lender further agrees to forgive the prorated share of principal plus interest for a period up to the first two anniversary dates, during which time Project is undergoing reconstruction and therefore not in active operation as an emergency and transitional housing facility.

Proceeds from repayment of the Note, including interest, shall be distributed to the parties comprising the Lender in direct proportion to the amounts each of the parties originally provided Contractor under this Agreement. County shall be the lead agent to receive repayments from the Contractor and shall make the distribution to the City and the Agency within 45 days of receipt of any repayment from Contractor.

Surplus Cash

Surplus cash shall be defined as follows:

All rental and incidental income from Project, but excluding tenant security deposits (and any interest earned on said deposits) and capital contributions by Project Owners or its partners, less the following to the extent consistent with an annual independent financial audit to be provided by Contractor or Project Owners: all actual Project operating expenses, utilities, maintenance expenses, real estate taxes, operating reserves not to exceed 3% of operating expenses, replacement reserves not to exceed 0.6% of actual hard cost of construction, property management fee not to exceed 6% of gross effective income, principal and interest paid on loans to which the loan represented by the Note and corresponding Deed of Trust is subordinate.

The annual audit must indicate that the operating and replacement reserves were actually funded before Project can include these amounts in the calculation to determine Surplus Cash. If the reserve amounts actually taken exceed the above allowances, Contractor or Project Owners shall obtain approval from County in writing to allow Project to include the higher reserve amounts in the calculation for Surplus Cash. Depreciation will not be allowed as an operating expense for purposes of calculating Surplus Cash.

A copy of the annual independent financial audit shall be delivered to the County not later than 120 days after the end of Project's fiscal year. Payment to the County out of Surplus Cash shall be delivered to the County not later than 120 days after the end of each fiscal year.

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

**H. Change of Use**

Should Contractor cease operating the Project as an emergency and/or transitional housing facility serving homeless families, Contractor shall give Lender a 30-day written notice of cessation or change of operations. Lender may give written consent for any subsequent replacement use of the Project provided that the replacement use shall be some form of shelter, transitional housing or permanent housing affordable to very-low households, as those terms are defined in this Exhibit A to this Agreement. Should the replacement use generate rental revenues as determined by Lender, the balance of the Note plus interest shall not be forgiven and Contractor shall make repayments from surplus cash as described herein.

**I. Lessor Obligations**

Prior to the 30<sup>th</sup> anniversary date of Note, should Contractor surrender the Ground Lease to Lessor or should said Lease be terminated for any reason, Lessor agrees to assume the balance of the obligations and liabilities of the Note and this Agreement, if the County, the City, and the Agency consent to such assumption in writing.

**J. Prepayment**

Prepayments may be made at any time without penalty.

**K. Due on Sale, Refinance or Transfer of Title**

Contractor shall not sell or refinance its interest in the Project, or assign its rights under this Agreement without obtaining the prior written consent of the Lender. In the event of a sale or transfer of the subject property or any interest therein by Contractor, the entire principal balance of the Note, including any accumulated interest, shall be immediately due and payable. With the prior written consent of the Lender, the Note may be assumed or transferred if the property that is the subject of this Agreement is transferred to an owner who continues an eligible use and the new owner agrees in writing to the terms and conditions of this Agreement and the Note and Deed of Trust.

**L. Acceleration of Note**

In the event Contractor breaches any of the terms and conditions of this Agreement after notice and an opportunity to cure as provided in Exhibit E herein, the Contractor will be in default of the terms and conditions of this Agreement as well as the Note, and the Lender may demand immediate and full payment of the principal amount of the Note plus accrued interest, and/or may initiate foreclosure proceedings under the Deed of Trust.

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

**M. Contractor Performance Obligations**

**1. Reporting Requirements**

Contractor shall submit to the County Office of Housing a Quarterly Report within 30 days of the end of each quarter, and County shall send a copy of the Report to the City/ Agency Community Development Department within seven days of County receipt. Such report shall detail the status of Project until Project construction has been completed. The report may be in the form of a narrative description of all activities performed in relation to the Project including all predevelopment activities. The report shall include a Project timeline and indicate the status of Project in relation to this timeline. Contractor must document any changes from the last timeline submitted to the Office of Housing.

Notwithstanding the Quarterly Report, Contractor shall complete the construction of Project by June 30, 2004 or be in default of this Agreement and the Note, except that Lender may in good cause shown, approve Contractor's written request for additional time to complete the Project. Such Lender approval of time extensions must be in writing.

After Project completion, Contractor shall submit to County which shall forward a copy within seven days of receipt to City/Agency, a report setting forth the status of Contractor's compliance with the requirements of this Agreement. Contractor shall submit the requested information annually to County not later than forty-five (45) days after the close of each fiscal year; and any other information or completed forms requested by the County, the City, or the Agency in order to comply with reporting requirements of the funding involved in this Agreement, within fifteen (15) days after receipt of a written request by the County, the City or the Agency.

**2. Funding Requirements**

Lender shall not approve release of funds for any costs for the actual construction of the Project unless and until the Contractor provides Lender with reasonably satisfactory written assurances that the Contractor has secured all the funds necessary to be able to construct and complete the Project.

Release of funds by the Lender for construction shall further be contingent upon Contractor providing reasonably satisfactory assurance to the Lender that the Project design and construction will meet all applicable requirements under the National Environmental Protection Act (NEPA), including those described in the November 27, 2001 memorandum from the Director of the County Office of Housing, entitled "Special Environmental Clearance and Waiver of Environmental Impact Statement."

**N. Escrow Holder**

Unless agreed to in writing otherwise, all parties to this Agreement acknowledge that there shall be no single escrow holder for all the construction funds for this project. Contractor shall provide a quarterly statement to County and City showing all funding sources and expenditures for construction. This statement shall delineate expenditures by funding source and indicate

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

purposes or uses of the expenditures. Upon completion of project, Contractor shall provide a final statement of construction spending by funding source, and have its construction records available for review and inspection by City and/or County.

**O. Construction Progress Inspection/Monitoring**

City shall take lead in performing site inspections for construction payment requests and monitoring the Project construction for applicable prevailing wage requirements. In this capacity, City shall be responsible for approving in writing all requests for payment for construction on behalf of Lender prior to Contractor forwarding construction payments requests to City and/or County, as the case may be.

**P. Fire and Extended Coverage**

Contractor at its costs, shall maintain on the improvements that are the subject of this Agreement a policy of standard fire and extended coverage during the life of the Note and Deed of Trust securing this Agreement, or any subsequently executed document which replaces the Note and Deed of Trust, with vandalism and malicious mischief endorsements, to the extent of at least the full replacement value of the improvements which are part of the Project. The insurance policy shall be issued in the names of Contractor and any authorized successor in interest of the Contractor, and the Lender as their interests appear. The insurance policy shall contain a lender's loss payable endorsement, providing that any proceeds shall be payable to the Lender as its interests appear.

In the event that Contractor shall undertake to restore the damaged improvements or to reconstruct the destroyed improvements within a period of sixty (60) days, such insurance proceeds received by the Lender shall be released to Contractor as payments are required for said purposes, and upon completion of such restoration or reconstruction, any balance thereof remaining shall be paid to Contractor forthwith.

In the event that Contractor shall fail to undertake the restoration or reconstruction of such improvements within sixty (60) days following any such damage or destruction, there shall be paid and released to the Lender from such insurance proceeds a sum equal to the cost of clearing the premises in the event Contractor does not at its own expense clear the premises within said period.

**Q. Responsibilities Relating to the County's OBM Initiative**

Contractor shall engage in activities and supply information required to implement the County's Outcome-Based Management and Budgeting (OBM) initiative. Activities include, but are not limited to:

- Attending planning and informational meetings;
- Developing program performance and outcome measurements;
- Collecting and submitting data necessary to fulfill measurement requirements;



**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

- Participating in technical assistance and training events offered by the Human Services Agency and seeking technical assistance and training necessary to fulfill measurement requirements;
- Participating in a review of performance and outcome information; and
- Comply with OBM Implementation Guidelines as specified in memos released by the Human Services Agency.

County, through the Human Services Agency, of which the Office of Housing is a unit, shall:

- provide technical assistance and support to assist contractor's implementation of the County's Outcome-Based Management and Budgeting (OBM) initiative;
- Issue and review OBM Implementation Guidelines; and
- Conduct review of performance and outcome information.

Initials:                     

Contractor

Initials:                     

Lessor

Initials:                     

City

**Exhibit A**  
**PROGRAM/PROJECT DESCRIPTION**

---

- Participating in technical assistance and training events offered by the Human Services Agency and seeking technical assistance and training necessary to fulfill measurement requirements;
- Participating in a review of performance and outcome information; and
- Comply with OBM Implementation Guidelines as specified in memos released by the Human Services Agency.

County, through the Human Services Agency, of which the Office of Housing is a unit, shall:

- provide technical assistance and support to assist contractor's implementation of the County's Outcome-Based Management and Budgeting (OBM) initiative;
- Issue and review OBM Implementation Guidelines; and
- Conduct review of performance and outcome information.

Initials: \_\_\_\_\_  
Contractor

Initials:  \_\_\_\_\_  
Lessor

Initials: \_\_\_\_\_  
City

**Exhibit B**  
**METHOD AND RATE OF PAYMENT TO CONTRACTOR**

---

Payment to Contractor

Payment to Contractor shall be made on a reimbursement basis upon payment requests submitted by Contractor to County or City. Upon written request to the City or County Director of Housing, payments may be made directly to authorized third parties; in these cases, Contractor must submit original invoices with the request.

For requests for payments/reimbursement for construction purposes, the process shall be as follows: Contractor shall submit the payment/reimbursement request first to the City housing project inspection unit described above in Exhibit A, paragraph O to approve before forwarding it to the County or City for payment. All requests for payment/reimbursement by Contractor shall include copies of invoices paid together with warrants, canceled checks, or other proof that the invoices have been paid.

Contractor shall certify in writing that the specific services or activities for which reimbursement or payment is being requested have been satisfactorily completed, that the payments are proper and that all funds to be expended are on behalf of and exclusively for the Project. The County reserves the right to verify such completion, including construction, prior to payment to Contractor.

All billings shall be certified for payment by the County and/or City unless their respective Directors of the Office of Housing and/or the City Community Development Department individually or jointly object to the adequacy of the services or activities rendered by Contractor or to the amount of billing. The County and/or the City shall state the specific nature of its objections to Contractor's work in writing. The County and/or the City shall also specify what actions or changes are necessary to make the work acceptable. Contractor shall respond to the County and/or the City within 15 days of receipt of such objections. The County and/or the City and Contractor shall meet to discuss such objections at the request of any of the aforementioned parties.

Requests for payment for activities involving construction shall have a portion of the payment withheld as retention. The percentage of retention shall be jointly approved by the Lender and Contractor, but shall be not be less than 10% of each payment requests. Said retention shall be held for at least 35 days after completion of the Project and shall be released after receipt from the construction contractor of all necessary executed lien releases in a form acceptable to the Lender.

None of the funds shall be used for salary, fringe benefits or other compensation of employees of Contractor or its affiliates.

Initials: \_\_\_\_\_

Contractor

Initials: \_\_\_\_\_

Lessor

Initials: \_\_\_\_\_

City

**Exhibit B**  
**METHOD AND RATE OF PAYMENT TO CONTRACTOR**

---

Payment to Contractor

Payment to Contractor shall be made on a reimbursement basis upon payment requests submitted by Contractor to County or City. Upon written request to the City or County Director of Housing, payments may be made directly to authorized third parties; in these cases, Contractor must submit original invoices with the request.

For requests for payments/reimbursement for construction purposes, the process shall be as follows: Contractor shall submit the payment/reimbursement request first to the City housing project inspection unit described above in Exhibit A, paragraph O to approve before forwarding it to the County or City for payment. All requests for payment/reimbursement by Contractor shall include copies of invoices paid together with warrants, canceled checks, or other proof that the invoices have been paid.

Contractor shall certify in writing that the specific services or activities for which reimbursement or payment is being requested have been satisfactorily completed, that the payments are proper and that all funds to be expended are on behalf of and exclusively for the Project. The County reserves the right to verify such completion, including construction, prior to payment to Contractor.

All billings shall be certified for payment by the County and/or City unless their respective Directors of the Office of Housing and/or the City Community Development Department individually or jointly object to the adequacy of the services or activities rendered by Contractor or to the amount of billing. The County and/or the City shall state the specific nature of its objections to Contractor's work in writing. The County and/or the City shall also specify what actions or changes are necessary to make the work acceptable. Contractor shall respond to the County and/or the City within 15 days of receipt of such objections. The County and/or the City and Contractor shall meet to discuss such objections at the request of any of the aforementioned parties.

Requests for payment for activities involving construction shall have a portion of the payment withheld as retention. The percentage of retention shall be jointly approved by the Lender and Contractor, but shall be not be less than 10% of each payment requests. Said retention shall be held for at least 35 days after completion of the Project and shall be released after receipt from the construction contractor of all necessary executed lien releases in a form acceptable to the Lender.

None of the funds shall be used for salary, fringe benefits or other compensation of employees of Contractor or its affiliates.

Initials: \_\_\_\_\_  
Contractor

Initials:  \_\_\_\_\_  
Lessor

Initials: \_\_\_\_\_  
City

**Exhibit C**  
**ASSURANCE OF COMPLIANCE WITH SECTION 504**  
**OF THE REHABILITATION ACT OF 1973**  
(Required only from Contractors who provide services  
directly to the Public on the County's behalf)

---

The Contractor hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.\*

The Contractor gives this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance. The Contractor recognizes and agrees that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor.

The Contractor: (check a or b)

- a. ☐ employs fewer than 15 persons
- b. ☒ employs 15 or more persons and, pursuant to section 84.7(a) of the regulation (45 C.F.R. 84.7(a)), has designated the following person to coordinate its efforts to comply with the DHHS regulations.

Name of 504 Person (type or print)

7 Randy Walker

I certify that the above information is complete and correct to the best of my knowledge.

7 Date: 1/10/03

7 By:

Signature & Title of Authorized Official

Michael Jackson, Executive Director

- \* DHHS regulations have provided that if a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with the facility accessibility regulations other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible

**Exhibit D**  
**PROGRAM MONITORING**

---

Contractor shall provide to the County, the City and/or the Agency, on demand, all requested income and demographic data about the recipients of services under this Agreement. This data may include race, family size, income, sex and handicap status, if any, of the head of household.

In accordance with Paragraph 11 of this Agreement, upon reasonable notice, the County, the City, the Agency, HUD, the Comptroller General of the United States, or any other relevant monitoring agencies, or successor agencies, or any of their duly authorized representatives shall be provided access to any books, documents, papers, records of Contractor which are directly pertinent to this Project, for the purpose of making audits, examinations, excerpts and transcriptions. Contractor shall further provide the County, the City, and/or the Agency, and relevant monitoring agencies reasonable access to the physical premises covered under this Agreement for inspections from time to time for compliance with the terms of this Agreement.

Contractor shall provide Lender with an Annual Audit Report each year during the term of this Agreement. The Audit report must include a statement of compliance with OMB Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations".

Initials: \_\_\_\_\_

Contractor

Initials: \_\_\_\_\_

Lessor

Initials: \_\_\_\_\_

City

**Exhibit D**  
**PROGRAM MONITORING**


---

Contractor shall provide to the County, the City and/or the Agency, on demand, all requested income and demographic data about the recipients of services under this Agreement. This data may include race, family size, income, sex and handicap status, if any, of the head of household.

In accordance with Paragraph 11 of this Agreement, upon reasonable notice, the County, the City, the Agency, HUD, the Comptroller General of the United States, or any other relevant monitoring agencies, or successor agencies, or any of their duly authorized representatives shall be provided access to any books, documents, papers, records of Contractor which are directly pertinent to this Project, for the purpose of making audits, examinations, excerpts and transcriptions. Contractor shall further provide the County, the City, and/or the Agency, and relevant monitoring agencies reasonable access to the physical premises covered under this Agreement for inspections from time to time for compliance with the terms of this Agreement.

Contractor shall provide Lender with an Annual Audit Report each year during the term of this Agreement. The Audit report must include a statement of compliance with OMB Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations".

Initials: \_\_\_\_\_  
Contractor

Initials:   
Lessor

Initials: \_\_\_\_\_  
City

**Exhibit E**  
**Program Specific Requirements**  
**Housing and Community Development**

---

**1. BREACH OF AGREEMENT**

This Agreement is governed by applicable federal statutes and regulations, as referred to elsewhere herein. Any material deviation by Contractor for any reason from the requirements thereof, or from any other provision of this Agreement, shall constitute a breach of this Agreement and may be cause for termination at the election of the County, the City, and/or the Agency, or upon the direction of HUD. The County, the City, and/or the Agency may terminate this Agreement for cause after giving Contractor notice of any breach or default and 30 days to cure said breach or default. In the event of termination by whatever means, all finished and unfinished work shall become the property of the Lender, and the County, the City, and/or the Agency, shall have the right to direct Contractor's actions with respect to access to materials.

The County, the City and/or the Agency reserves the right to waive any and all breaches of this Agreement, and any such waiver shall not be deemed a waiver of all previous or subsequent breaches. In the event the County, the City, and/or the Agency chooses to waive a particular breach of this Agreement, it may condition same on payment by Contractor of actual damages occasioned by such breach of Agreement and shall make every effort to resolve the same quickly and amicably.

**2. AGREEMENT TERMINATION**

In the event Contractor is unable to fulfill its responsibilities under this Agreement for any reason whatsoever, including circumstances beyond its control, the County, the City, and/or the Agency may terminate this Agreement in whole or in part in the same manner as for breach hereof.

**3. CONFLICT OF INTEREST**

No members, officers, or employees or agents of the County, the City or the Agency, no member of the County's Board of Supervisors, the City's City Council, or the Redevelopment Agency Board, and no other public official who exercises any function or responsibility with respect to this program during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in this Agreement or a related subcontract, or the proceeds thereof.

No members, officers, or employees or agents of Contractor, no member of the Board of Directors of Contractor, and no other official who exercises any function or responsibility with respect to this program during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in the Agreement or a related contract, or the proceeds thereof.

Contractor shall incorporate the above provisions into all contracts awarded in connection with this Agreement.

**4. LOBBYING PROHIBITED**

Federal funds shall not be used by Contractor for publicity or propaganda purposes designed to support or defeat legislation pending before federal, state or local government. Federal funds shall



**Exhibit E**  
**Program Specific Requirements**  
**Housing and Community Development**

---

not be used by Contractor to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the award of any Federal contract.

**5. INFLUENCING PROHIBITED**

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of Contractor to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, Contractor will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions; and

C. The language of paragraphs 5A and 5B shall be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**6. COMPLIANCE WITH FEDERAL LAWS AND REGULATIONS**

Contractor, to the extent applicable to this Agreement, shall comply with the following Federal laws and regulations as set forth in 24 CFR §§570.600-612:

A. Public Law 88-352, Title VI of the Civil Rights Act of 1964, which provides that no person in the United States shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance, including community development funds, on the grounds of race, color, or national origin.

B. Public Law 90-284, Fair Housing Act (42 U.S.C. §§3601- 20), which provides that it is the policy of the United States to provide, within constitutional limitations, fair housing throughout the United States and prohibits any person from discriminating in the sale, rental, or financing of housing on the basis of race, color, religion, sex, national origin handicap or familial status. The Fair Housing Act, as amended in 1988, also establishes requirements for the design and construction of new rental or for sale multifamily housing to ensure a minimum level of accessibility for persons with disabilities. Multifamily dwelling units in buildings containing 4 or more units served by one or more elevators, or ground floor dwellings units with 4 or more units, constructed for first occupancy after March 13, 1991, must be designed and constructed in a manner that the public and common use portions of such dwellings are readily accessible to and usable by

**Exhibit E**  
**Program Specific Requirements**  
**Housing and Community Development**

---

disabled persons. All premises within such dwellings must incorporate features of adaptive design regarding accessibility routes into and through the dwelling and design features within the units. (Regarding accessibility design issues, State accessibility requirements will prevail if they are stricter than federal requirements.)

C. Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in the delivery of services, programs or benefits supported by Federal funds.

D. Rehabilitation Act of 1973, Section 504, which prohibits discrimination against otherwise qualified handicapped persons in the provision of programs, facilities and employment supported by Federal funds.

In the case of multifamily rental housing, projects of five or more units must be designed and constructed to be readily accessible to and usable by persons with disabilities. For new construction involving five or more units, and substantial rehabilitation projects of 15 or more units (with substantial rehabilitation defined as rehabilitation costs representing 75 percent or more of the replacement costs of the completed facility), the following requirements must be followed - a minimum of 5 percent of the dwelling units must be accessible to individuals with mobility impairments and an additional 2 percent accessible to individuals with sensory impairments. At the minimum, one unit shall be made accessible to mobility-impaired individuals and one unit accessible to sensory impaired individuals. When less than substantial rehabilitation is undertaken in multifamily rental housing projects of any size, these alterations must, to the maximum extent feasible, make the dwelling units accessible to and usable by individuals with disabilities, until a minimum of 5 percent of the dwelling units (but not less than one unit) are accessible to persons with mobility impairments; for this category of less than substantial rehabilitation, the additional 2 percent of the units for persons with sensory impairments does not apply. Also for this category of rehabilitation, if undertaking accessibility alterations imposes undue financial and administrative burdens on the operation of the multifamily housing project, the alterations are not required.

In the case of non-housing facilities involving new construction, the facilities shall be designed and constructed to be readily accessible to and usable by persons with disabilities. For facilities involving alterations, to the extent possible, the alterations should ensure that such facilities are readily accessible to and usable by individuals with disabilities. An element of an existing non-housing facility need not be made accessible, if doing so, would impose undue financial and administrative burdens on the operation of the recipient program or activity. (However, State law will prevail if State accessibility requirements are stricter than federal 504 requirements.) Recipients are still required to take other actions that would ensure that persons with disabilities receive the benefits and services of the program.

E. Davis-Bacon Act, which requires that all laborers and mechanics employed by contractors or subcontractors on construction work financed in whole or in part with Federal funds shall be paid prevailing wages of the locality as determined by the Secretary of Labor.

F. Flood Disaster Protection Act of 1973, which provides that no federal financial assistance for acquisition or construction purposes may be approved for an area having special flood hazards

**Exhibit E**  
**Program Specific Requirements**  
**Housing and Community Development**

---

unless the community in which the area is located is participating in the National Flood Insurance Program.

G. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, which provides for relocation assistance for any family, individual, business, non-profit organization or farm displaced as a result of acquisition of property with federal funds.

H. Executive Order 11246, amended by Executive Order 12086, Equal Employment and Contracting Opportunities, which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federally assisted construction contracts.

I. Housing and Urban Development Act of 1968, Section 3, which requires that, in the planning and carrying out of any project assisted under the Act, that to the greatest extent feasible, opportunities for training and employment be given to low- and moderate-income persons residing within the unit of local government in which the project is located, and that contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing in the same unit of local government as the project.

J. Lead-Based Paint Poisoning Act, which prohibits the use of lead-based paint in residential structures constructed or rehabilitated with Federal assistance.

**7. UNIFORM ADMINISTRATIVE REQUIREMENTS**

A. Contractor, if a governmental entity or public agency, shall comply with the requirements and standards of OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments", OMB Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and applicable sections of 24 CFR §85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments", as set forth in 24 CFR §570.502(a).

B. Contractor, if a non-profit organization, shall comply with the requirements and standards of OMB Circular No. A-122, "Cost Principles for Non-Profit Organizations", OMB Circular A-133 Audits of State, Local Governments and Non-Profit Organizations", and applicable Attachments to OMB Circular No. A-110, as set forth in 24 CFR §570.502(b).

C. The CDFA # for the entitlement programs to which this applies are as follows:

- 1) Community Development Block Grant (CDBG): 14.218
- 2) Emergency Shelter Grant (ESG) : 14.231
- 3) HOME Investment Partnership (HOME) : 14.239
- 4) McKinney Supportive Housing : 14.235

Initials:                       
Contractor

Initials:                       
Lessor

Initials:                       
City

**Exhibit E**  
**Program Specific Requirements**  
**Housing and Community Development**

---

unless the community in which the area is located is participating in the National Flood Insurance Program.

G. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, which provides for relocation assistance for any family, individual, business, non-profit organization or farm displaced as a result of acquisition of property with federal funds.

H. Executive Order 11246, amended by Executive Order 12086, Equal Employment and Contracting Opportunities, which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federally assisted construction contracts.

I. Housing and Urban Development Act of 1968, Section 3, which requires that, in the planning and carrying out of any project assisted under the Act, that to the greatest extent feasible, opportunities for training and employment be given to low- and moderate-income persons residing within the unit of local government in which the project is located, and that contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing in the same unit of local government as the project.

J. Lead-Based Paint Poisoning Act, which prohibits the use of lead-based paint in residential structures constructed or rehabilitated with Federal assistance.

**7. UNIFORM ADMINISTRATIVE REQUIREMENTS**

A. Contractor, if a governmental entity or public agency, shall comply with the requirements and standards of OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments", OMB Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and applicable sections of 24 CFR §85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments", as set forth in 24 CFR §570.502(a).

B. Contractor, if a non-profit organization, shall comply with the requirements and standards of OMB Circular No. A-122, "Cost Principles for Non-Profit Organizations, OMB Circular A-133 Audits of State, Local Governments and Non-Profit Organizations", and applicable Attachments to OMB Circular No. A-110, as set forth in 24 CFR §570.502(b).

C. The CDFA # for the entitlement programs to which this applies are as follows:

- 1) Community Development Block Grant (CDBG): 14.218
- 2) Emergency Shelter Grant (ESG) : 14.231
- 3) HOME Investment Partnership (HOME) : 14.239
- 4) McKinney Supportive Housing : 14.235

Initials: \_\_\_\_\_

Initials: Contractor  
\_\_\_\_\_

Lessor

Initials: \_\_\_\_\_

City

**Exhibit F**  
**Equal Benefits Compliance Declaration**

---

**I Vendor Identification**

Name of Contractor: Shelter Network

Contact Person: Michele Jackson, Executive Director

Address: 1450 Chapin Avenue, 2nd Floor  
Burlingame, CA 94010

Phone Number: (650) 685-5880 Ext. 21 Fax Number: (650) 685-5881

---

**II Employees**

Does the Contractor have any employees? X Yes \_\_\_ No

Does the Contractor provide benefits to spouses of employees? X Yes \_\_\_ No

---

**III Equal Benefits Compliance (Check one)**

- ☒ Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
- ☐ Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- ☐ No, the Contractor does not comply.
- ☐ The Contractor is under a collective bargaining agreement which began on \_\_\_\_\_ (date) and expires on \_\_\_\_\_ (date).
- 

**IV Declaration**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 10<sup>th</sup> day of Jan, 2003 at Burlingame, CA  
(City) (State)

Michele Jackson  
Signature

Michele Jackson  
Name (please print)

Executive Director  
Title



**EXHIBIT G**

**GROUND LEASE**

**By and Between**

**MID-PENINSULA HOUSING COALITION**

**And**

**SHELTER NETWORK OF SAN MATEO COUNTY,**

**A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

**319-323 Villa Terrace, San Mateo, California**

## TABLE OF CONTENTS

	Page
1. Definitions.....	1
a. “Authorized Officers” .....	1
b. “Base Rent” .....	1
c. “Dwelling Units” .....	1
d. “Foreclosure Transferee” .....	1
e. “Improvements” .....	1
f. “Land” .....	1
g. “Lease” .....	1
h. “Lease Term” .....	1
i. “Lease Year” .....	1
j. “Lenders” .....	2
k. “Lessee” .....	2
l. “Lessor” .....	2
m. “Loans” .....	2
n. “Loan Documents” .....	2
o. “Project” .....	2
p. “Program Participants” .....	2
2. Lease of the Land.....	2
3. Term.....	2
4. Rental Provisions.....	2
5. Use of Project; Assurances of Lessee.....	3
6. Taxes and Assessments.....	3
a. Real Estate Taxes.....	3
b. Assessments and Other Charges.....	4
c. Lessor Obligations.....	4
d. Lessee’s Right to Contest.....	4
7. Assignment of Lessee’s Leasehold Interest.....	4
8. Title to Improvements and Liens Thereon.....	5
9. Permits, Licenses and Easements.....	5
10. Use of Project.....	5

# **TABLE OF CONTENTS** (continued)

	Page
11. Maintenance of the Project .....	6
12. Utilities.....	6
13. Loan Obligations.....	6
14. Liens and Encumbrances Against Lessee's Interest in the Leasehold Estate.....	6
15. Cost of Loans to be Paid by Lessee. ....	8
16. Proceeds of Loans. ....	8
17. Notice and Right to Cure Defaults Under Loans. ....	8
18. Required Insurance Coverage. ....	9
a. Fire and Extended Coverage Endorsement. ....	9
b. Liability and Property Damage Insurance. ....	9
c. Workers' Compensation Insurance.....	9
d. Builders' Risk Insurance.....	9
19. Insurance Policies and Premiums. ....	9
20. Proceeds of Insurance. ....	10
21. Limitation of Liability.....	10
22. Condemnation.....	10
23. Administration of Construction Fund in the Event of Condemnation, or Damage or Destruction of Project.....	12
24. Lessee, Lessor, Lenders to be Made Parties in Legal Proceedings. ....	12
25. Non-Discrimination. ....	13
26. Lessor to Give Peaceful Possession.....	13
27. Lessor to Lease Project with Marketable Title. ....	13
28. Lessor to Obtain Necessary Governmental Approvals.....	13
29. Release of Lessor.....	13
30. Encumbrance by Lessor.....	14
31. Lessor Estoppel.....	14
32. Events of Default; Remedy of Default by Lessee.....	14
33. Remedy of Material Breach by Lessor. ....	15
34. Termination.....	15



**TABLE OF CONTENTS**  
**(continued)**

	<b>Page</b>
35. Grant/Loan From California Department of Housing and Community Development .....	15
36. Miscellaneous .....	16
a. Instrument Is Entire Agreement.....	16
b. Notices .....	16
c. Recording.....	16
d. Non-Waiver of Breach.....	16
e. Effective Date; Counterparts.....	17
f. Lease Binding on Successors.....	17
g. Relationship of Parties.....	17
h. No Merger.....	17
i. Gender and Number.....	17
j. Titles.....	17
k. Severability.....	17
l. Applicable Law .....	18

## GROUND LEASE

This Ground Lease ("Lease") is dated April 1, 2002 and is entered into by and between **SHELTER NETWORK OF SAN MATEO COUNTY**, a California non-profit public benefit corporation and **MID-PENINSULA HOUSING COALITION**, a California non-profit public benefit corporation with respect to the Land (defined below.)

1. **Definitions.** The following terms shall have the following meanings in this Lease:

a. **"Authorized Officers"** shall mean, in the case of the Lessor, any officer, and in the case of the Lessee, its Executive Director.

b. **"Base Rent"** shall mean One Dollar (\$1.00) per year.

c. **"Dwelling Units"** shall mean the units of rental housing which may from time to time be located on the Property, which shall be occupied by the Program Participants and the property manager.

d. **"Foreclosure Transferee"** shall mean the lender or other transferee of the Project resulting from a judicial foreclosure, non-judicial foreclosure or deed in lieu of foreclosure.

e. **"Improvements"** shall mean the building, structures and other improvements, including the building fixtures therein, now or hereafter located on the Land.

f. **"Land"** shall mean the land commonly referred to as **319-323 Villa Terrace, San Mateo, California** and more fully described in **Exhibit A** attached to this Lease and incorporated into this Lease by this reference.

g. **"Lease"** shall mean this Lease between the Lessee and the Lessor and shall include any and all amendments made to this Lease.

h. **"Lease Term"** shall mean the thirty (30) year period set forth in Section 3 below, during which this Lease shall be in effect unless earlier terminated in accordance with the provisions of this Lease.

i. **"Lease Year"** shall mean a period of one calendar year beginning January 1 and ending December 31. The first lease year shall commence on the date of this Lease and end on the last day of the following December. The last lease year shall begin on January 1 of that year and end on the last day of this Lease.

j. **"Lenders"** shall mean each and all of the lenders providing the Loans to Lessee.

k. **"Lessee"** shall mean Shelter Network of San Mateo County, a California nonprofit public benefit corporation, and its permitted successors and permitted assigns.

l. "Lessor" shall mean Mid-Peninsula Housing Coalition and its successors and assigns.

m. "Loans" shall mean the loans now or hereafter obtained by Lessee as evidenced by promissory notes and secured by deeds of trust (and any related security documents, including security agreements, fixture filings, and financing statements required of the Lessee) which are given by the Lessee.

n. "Loan Documents" shall mean all documents executed by the Lessee evidencing or securing the Loans.

o. "Project" shall mean the Improvements and the Lessee's leasehold interest in the Land.

p. "Program Participants" shall mean the residents who are authorized by Lessee to occupy the Dwelling Units.

2. **Lease of the Land.** The Lessor, for and in consideration of the covenants and agreements to be kept and performed by the Lessee, leases the Land to the Lessee, and in consideration thereof, the Lessee does take, hire and lease the Land from the Lessor pursuant to the terms of this Lease. The Lessee or its designee shall operate the Project in compliance with applicable laws.

3. **Term.**

a. The term of this Lease shall commence on the date of this Lease as set forth above and shall continue from such date until the expiration of thirty (30) years, unless earlier terminated in accordance with this Lease.

b. Subject to the rights of any lenders having a lien on Lessee's interest in the Project, Lessee shall have the right to terminate this Lease and to surrender possession of the Project to Lessor on a date selected by Lessee by giving Lessor written notice of such election to terminate not less than ninety (90) days prior to the effective date of such termination, provided Lessee removes all liens and encumbrances on the Land created by Lessee. Upon the effective date of such termination, all of Lessee's obligations under this Lease thereafter to be performed shall cease, and the Land shall revert to the Lessor free of all liens and encumbrances created by Lessee.

4. **Rental Provisions.**

a. The Lessee shall pay to the Lessor, at 658 Bair Island Road, Suite 300, Redwood City, CA 94063, or such other place as Lessor may designate in writing, "Rent" in an annual amount equal to One Dollar (\$1.00) (the "Base Rent"), payable in advance on the first day of each Lease Year.

b. Lessor agrees that Lessee may prepay the Rent at any time in its discretion.

5. Use of Project; Assurances of Lessee.

a. The Project shall be used for the provision of emergency shelter and/or transitional housing for homeless persons and/or for affordable housing.

b. Lessee agrees:

(1) not to use the Project for any disorderly or unlawful purpose, but only for its present use as emergency shelter for families or to provide proper housing facilities to Program Participants, and to maintain the character of the Project as required by any Loan Documents and any recorded covenants, conditions or restrictions for so long as such agreements remain in effect;

(2) to use reasonable care to prevent any Program Participant from committing or maintaining any nuisance or unlawful conduct on or about the Project;

(3) to use reasonable efforts to prevent any Program Participant from violating any of the covenants and conditions of this Lease with respect to the Project;

(4) to take reasonable action, if necessary, to abate any violation of this Lease by any Program Participant upon notice from the Lessor;

(5) subject to any applicable laws of the State of California and the rights of Program Participants, to permit the Lessor and its agents to inspect the Project or any part thereof at any reasonable time during the Lease Term; and

(6) to operate and maintain the Project in good condition and repair.

6. Taxes and Assessments.

a. Real Estate Taxes. Lessee covenants and agrees during the entire Lease Term, at its own cost and expense, to pay the public officers charged with their collection, as the same become due and payable and before any fine, penalty, interest, or other charge may be added to them for nonpayment, all real estate taxes, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature, made, assessed, levied or imposed upon, or due and payable in connection with, or which become a lien upon, the Land, the Improvements, or any part of the Land or Improvements, or upon this Lease, as well as assessments for sidewalks, streets, sewers, water, or any other public improvements and any other improvements or benefits which shall, during the Lease Term, be made, assessed, levied, or imposed upon or become due and payable in connection with, or a lien upon the Land, the Improvements, or any part of the Land or Improvements, or upon this Lease. Lessee covenants to furnish to Lessor, within thirty (30) days after the date upon which any such tax, assessment, or other charge is paid, official receipts of the proper taxing or other authority, or other adequate proof evidencing the full payment thereof. Lessee shall at all times indemnify and hold harmless Lessor from any and all fees and charges required to be paid by Lessee under this Section 6.a. Lessor agrees promptly to send to Lessee copies of any and all notices received by it in respect to any charges and fees for which Lessee is liable pursuant to this Section 6.a.

b. **Assessments and Other Charges.** Lessee covenants and agrees during the entire Lease Term, at its own cost and expense, to pay, as the same become due and payable and before any fine, penalty, interest or other charge may be added to them for nonpayment, license and permit fees, charges for public utilities of any kind, and any and all governmental charges relating to the use or occupancy of the Improvements. Lessee shall at all times indemnify and hold harmless Lessor from any and all fees and charges required to be paid by Lessee under this Section 6.b. Lessor agrees promptly to send to Lessee copies of any and all notices received by it in respect to any charges and fees for which Lessee is liable pursuant to this Section 6.b.

c. **Lessor Obligations.** The provisions of this Lease shall not be deemed to require Lessee to pay any municipal, county, state or federal income or gross receipts or excess profits taxes assessed against Lessor, or any municipal, county, state, or federal capital levy, estate, succession, inheritance, gift or transfer taxes of Lessor, or franchise taxes imposed upon any owner in fee of the Land. Any rebate made on account of any taxes or charges paid by Lessee shall belong to Lessee.

d. **Lessee's Right to Contest.** If Lessee disputes any amount or validity of any liens, taxes, assessments, charges, penalties or claims, including liens or claims of materialmen, mechanics or laborers, upon the Land or the Improvements, Lessee may contest and defend against the same at its cost, and in good faith diligently conduct any necessary proceedings in connection therewith to prevent and avoid the same; provided, however, that such contest shall be prosecuted to a final conclusion as speedily as possible. Lessor agrees to render to Lessee all reasonable assistance, at no expense to Lessor, in contesting the validity or amount of any such taxes, assessments or charges, including joining in the signing of any protests or pleadings which Lessee may deem advisable to file. During any such contest, Lessee shall (by the payment of such disputed taxes, assessments or charges, if necessary) prevent any advertisement of tax sale, any foreclosure of, or any divesting thereby of Lessor's title, reversion or other interest in or to the Land.

7. **Assignment of Lessee's Leasehold Interest.** The Lessee may at any time and from time to time assign its interest in this Lease in accordance with the provisions of any Loan Documents applicable to the Project, but only with the written consent of the Lessor, which consent shall not be unreasonably withheld and shall be based solely on the transferee's ability to operate the Project as an emergency shelter or as transitional housing for the homeless. Any transfer of Lessee's interest in this Lease to a Foreclosure Transferee, and one further transfer of Lessee's interest in this Lease by a Foreclosure Transferee, shall not be considered an assignment requiring the consent of Lessor in accordance with this Section.

8. **Title to Improvements and Liens Thereon.**

a. Upon execution of this Lease, Lessor hereby grants and transfers to Lessee all of its right, title, and interest that Lessor has in the Improvements now or hereafter located on the Land. Improvements on the Land during the Lease Term shall be and remain the property of Lessee. Lessee shall have the right to demolish or remove the Improvements for the purpose of constructing other Improvements to be used for a purpose not inconsistent with the provisions of this Lease. When the Lease Term expires or, subject to applicable cure rights of Lenders, when

the Lease is otherwise terminated under the terms of this Lease, title to the Improvements shall revert to and vest in Lessor without cost to Lessor, except in the event a Lender has acquired title to the Improvements by foreclosure, deed in lieu of foreclosure or assignment. This Lease confirms Lessee's fee interest in the Improvements. All Improvements, now or hereafter built, shall be and remain real property and shall be owned in fee by the Lessee for the term of this Lease. Lessee agrees to execute, at the request of Lessor at the end of the Lease Term, a confirmatory quitclaim deed of the Improvements to Lessor to be recorded at Lessor's option and expense and any other documents that may be reasonably required by Lessor or Lessor's title company to provide Lessor title to the Land and the Improvements free and clear of all monetary liens and monetary encumbrances not caused or agreed to by Lessor.

b. Lessee agrees that rehabilitation of the Improvements on the Land and any maintenance and repair work, alterations, replacements and additions in connection therewith shall be of good quality and approved by Lenders, should approval of Lenders be required. Lessee shall have no authority, express or implied, to create or place a lien or encumbrance of any kind upon Lessor's interest in the Land. Subject to Section 6.d., Lessee covenants and agrees promptly to pay all sums legally due and payable by Lessee on account of any labor performed or materials supplied on the Land on which any lien is or can be legally asserted against Lessee's interest in the Improvements or leasehold interest in the Land. In the event any mechanics' or materialmen's lien is filed against the Land, subject to Section 6.d., Lessee at its expense shall promptly cause such lien to be removed by bonding or otherwise, and Lessee shall hold Lessor harmless from any and all such asserted claims or liens.

9. **Permits, Licenses and Easements.** Lessor agrees that, within ten (10) days after receipt of written request from Lessee, it shall (at no expense to Lessor) join in any and all applications for permits, licenses or other authorizations required by any governmental or other body claiming jurisdiction in connection with any work Lessee may do pursuant to this Lease, and shall also join in any grants of easements for public utilities useful or necessary to the proper economic development of the Land or of the Improvements. In the event that Lessee desires to seek a change of zoning of the Land to permit a greater density of the development of the Land, Lessor agrees to cooperate fully with Lessee, in its capacity as Lessor (at no expense to Lessor), in obtaining such rezoning and to execute all applications or other documents which may be necessary or appropriate in connection therewith.

10. **Use of Project.** The Lessee shall at all times during the Lease Term use or cause the Project to be used for the purposes set forth in this Lease, consistent with all applicable zoning and environmental laws of any governmental authority having jurisdiction over the Project, and with all requirements of Lenders. Subject to the next sentence, Lessee agrees to comply with all applicable and lawful statutes, rules, orders, ordinances, requirements and regulations of the United States, the State of California, and of any other governmental authority having jurisdiction over the Project. Lessee may, in good faith and on reasonable grounds, dispute the applicability of, or the validity of any charge, complaint or action taken pursuant to or under color of, any statute, rule, order, ordinance, requirement or regulation, defend against the same, and in good faith diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of the same. Lessee agrees that any such contest shall be prosecuted to a final conclusion as speedily as reasonably possible.

11. **Maintenance of the Project.** Subject to Sections 6.a. and 6.b., during the term of this Lease, the Lessee shall perform, or cause to be performed, all maintenance and repairs necessary to maintain the Project in good repair and tenantable condition.

12. **Utilities.** The Lessee shall be responsible for the cost of all utilities, including water, heat, gas, electricity, waste removal, sewers, and other utilities or services supplied to the Project and, subject to Section 6.d., the Lessee shall pay or cause same to be paid currently and as due.

13. **Loan Obligations.** Nothing contained in this Lease shall relieve Lessee of its obligations and responsibilities under any Loans to operate the Project as set forth therein.

14. **Liens and Encumbrances Against Lessee's Interest in the Leasehold Estate.**

a. Lessee shall have the right to encumber without the consent of Lessor the leasehold estate created by this Lease and the Improvements with one or more deeds of trust or mortgages.

b. Lessee shall not have the right, without Lessor's consent, to encumber Lessor's interest in the Land. If Lessor so consents, Lessor's liability under such loan shall be limited to Lessor's property, which is security for the loan, and Lessor shall not be personally liable for repayment of such loan.

c. For as long as there is any lien securing any Loans:

(1) Lessor shall not agree to any mutual termination or accept any surrender of this Lease, nor shall Lessor consent to any amendment or modification of this Lease without prior written consent of Lenders which have an outstanding Loan.

(2) Notwithstanding any default by Lessee under this Lease, Lessor shall have no right to terminate this Lease unless Lessor shall have given Lenders which have an outstanding Loan written notice of such default and such Lenders shall have failed to remedy such default or acquire Lessee's leasehold estate created by this Lease or commence foreclosure or other appropriate proceedings as set forth in, and within the time specified by, this Section.

(3) Any Lender which has an outstanding Loan shall have the right, but not the obligation, at any time to pay any or all of the rental due pursuant to the terms of this Lease, and do any other act or thing required of Lessee by the terms of this Lease, to prevent termination of this Lease. Each Lender shall have ninety (90) days after receipt of notice from Lessor describing such default to cure the default. All payments so made and all things so done shall be as effective to prevent a termination of this Lease as the same would have been if made and performed by Lessee instead of by Lender(s).

(4) In addition to the cure period provided in Subsection 14.c.(3) above, if the default is such that possession of the Land may be reasonably necessary to remedy the default, any Lender which has an outstanding Loan shall have a reasonable time after the expiration of such ninety (90) day period within which to remedy such default, provided that

(i) such Lender shall have fully cured any default in the payment of any monetary obligations of Lessee under this Lease within such ninety (90) day period and shall continue to pay currently such monetary obligations when the same are due, and (ii) such Lender shall have acquired Lessee's leasehold estate hereunder or commenced foreclosure or other appropriate proceedings prior to or within such period, and shall be diligently prosecuting the same.

(5) Any default under this Lease which by its nature cannot be remedied by any Lender shall be deemed to be remedied if (i) within ninety (90) days after receiving written notice from Lessor describing the default, or prior thereto, any Lender shall have acquired Lessee's leasehold estate or commenced foreclosure or other appropriate proceedings, (ii) Lender shall diligently prosecute any such proceedings to completion, (iii) Lender shall have fully cured any default in the payment of any monetary obligations of Lessee hereunder which does not require possession of the Land, and (iv) after gaining possession of the Land, the Lender shall perform all other obligations of Lessee hereunder capable of performance by Lender when the obligations are due.

(6) If Lenders are prohibited, stayed or enjoined by any bankruptcy, insolvency or other judicial proceedings involving Lessee from commencing or prosecuting foreclosure or other appropriate proceedings, the times specified for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that any Lender shall have fully cured any default in the payment of any monetary obligations of Lessee under this Lease and shall continue to pay currently such monetary obligations when the same fall due; provided, further, that such Lender shall not interfere with Lessor's efforts to seek compliance by the Lessee with any non-monetary obligation under this Lease.

(7) Lessor shall mail or deliver to any Lenders which have any outstanding Loan a duplicate copy of all notices which Lessor may from time to time give to Lessee pursuant to this Lease. No notice by Lessor to Lessee hereunder shall be effective unless and until a copy of the notice shall have been mailed or delivered to such Lenders as set forth in this Section.

(8) In the event any Foreclosure Transferee becomes Lessee under this Lease by means of foreclosure or deed in lieu of foreclosure or pursuant to any new lease obtained under Subsection 14.c.(9) below, that Foreclosure Transferee shall be personally liable under this Lease or such new lease only for the period of time that Foreclosure Transferee remains Lessee thereunder, and that Foreclosure Transferee's right to assign this Lease or such new lease shall be subject to the restrictions set forth in this Lease. Nothing in this Section shall be construed to obligate any Foreclosure Transferee to remedy any default of Lessee, and any failure of any Lender to complete any such cure after commencing the same shall not give rise to any liability of any Lender to Lessor or Lessee.

(9) In the event a Foreclosure Transferee becomes the legal owner of the leasehold estate, and upon written request by Foreclosure Transferee given within sixty (60) days after becoming the legal owner of the leasehold estate, Lessor shall enter into a new lease of the Land with the Foreclosure Transferee for the remainder of the Lease Term with the same agreements, covenants, reversionary interests and conditions (except for any requirements which



have been fulfilled by Lessee prior to termination) as are contained in this Lease and with priority equal to this Lease; provided, however, that a Foreclosure Transferee shall promptly cure any defaults by Lessee susceptible to cure by Lender.

(10) Lessor shall cooperate in including in this Lease by suitable amendment from time to time any provision which may reasonably be requested by any proposed leasehold mortgagee for the purpose of implementing the mortgagee-protection provisions contained in this Lease and allowing such leasehold mortgagee reasonable means to protect or preserve, the lien of the leasehold mortgage and the value of its security. Lessor agrees to execute and deliver (and to acknowledge, if necessary, for recording purposes) any agreement necessary to effect any such amendment; provided, however, that any such amendment shall not in any way affect the Lease Term or rent under this Lease nor otherwise in any material respect adversely affect any rights of Lessor under this Lease.

(11) The parties shall not amend this Lease without the consent of the Lenders.

(12) Notwithstanding anything to the contrary contained in this Section 14.c., to effect a cure of a default by Lessee, Lender shall not be required to pay any accrued Rent or interest thereon.

d. Any leasehold mortgage created pursuant to Section 14.a. of this Section shall be subject to the provisions of this Lease and all rights of Lessor under this Lease. Lessor agrees to execute and deliver the Lease Rider and Estoppel Agreement attached hereto as **Exhibit B**.

15. **Cost of Loans to be Paid by Lessee.** The Lessee affirms that it shall bear all of the costs and expenses in connection with (i) the preparation and securing of the Loans, (ii) the delivery of any instruments and documents and their filing and recording, if required, and (iii) all taxes and charges payable in connection with the Loans.

16. **Proceeds of Loans.** It is expressly understood and agreed that all Loan proceeds shall be paid to and become the property of Lessee, and that the Lessor shall have no right to receive any such Loan proceeds.

17. **Notice and Right to Cure Defaults Under Loans.** Upon the recording of a Memorandum of Lease or this Lease, Lessor may record in the office of the Recorder of the County in which the land is situated a request for notice of any default under each Loan. In the event of default by Lessee under a Loan, Lessor shall have the right, but not the obligation, to cure the default. Any payments made by Lessor to cure a default shall be treated as rent due from Lessee which shall be paid within thirty (30) days of the date on which the payment was made by the Lessor.

18. **Required Insurance Coverage.**

a. **Fire and Extended Coverage Endorsement.** The Lessee shall during the Lease Term keep the Project insured against loss or damage by a standard all risk policy in amounts such that the proceeds of such insurance shall not be less than the replacement value of

the Project, or should insurance in such amount not be reasonably and commercially available, such lesser amount as may be acceptable to both Lessor and Lenders. The amount of such insurance shall be adjusted by reappraisal of the Improvements by the insurer or its designee at least once every five (5) years during the Lease Term, if requested by Lessor. If an all risk policy insuring the full replacement value of the Project is not reasonably and commercially available, Lessee shall use best efforts to obtain and maintain an extended coverage endorsement that ensures the full replacement value of the Project as soon as such coverage becomes commercially and reasonably available.

b. **Liability and Property Damage Insurance.** During the Lease Term, the Lessee shall keep in full force and effect a policy or policies of comprehensive general liability and property damage insurance against liability for bodily injury to or death of any person or property damage arising out of an occurrence on or about the Project. The limits of such insurance shall be not less than one million dollars (\$1,000,000) combined single limit for bodily injury and property damage. The limits of the insurance shall be adjusted once every five (5) years if and as reasonably required by Lessor.

c. **Workers' Compensation Insurance.** The Lessee shall carry or cause to be carried workers' compensation insurance covering all persons employed in connection with the Project and with respect to whom death, bodily injury, or sickness insurance claims could be asserted against the Lessor or Lessee.

d. **Builders' Risk Insurance.** During the course of any alteration, construction or reconstruction, the cost of which exceeds one hundred thousand dollars (\$100,000), the Lessee shall provide or cause to be provided builders' risk insurance for not less than one million dollars (\$1,000,000) combined single limit for bodily injury or property damage insuring the interests of Lessor, Lessee and any contractors and subcontractors.

#### 19. Insurance Policies and Premiums.

a. All policies required by this Lease or any Loan Document shall name the Lessor and Lender(s) as additional insureds. Duplicate copies of such policies or certificates of such insurance shall be promptly furnished to the Lessor.

b. To the extent obtainable, any policy of insurance shall provide that any change or cancellation of said policy must be made in writing and sent to Lessee and Lessor at their respective principal offices at least thirty (30) days before the effective date of change or cancellation.

#### 20. Proceeds of Insurance.

a. For so long as any Loan on the Project is outstanding: All fire and standard risk or extended coverage (casualty) insurance proceeds shall be applied to the payment of the costs of repairing or rebuilding that part of the Project damaged or destroyed if (i) the Lessee agrees in writing within ninety (90) days after payment of the proceeds of insurance that such repair or rebuilding is economically feasible, and (ii) each Lender with an outstanding Loan permits such repairing or rebuilding, provided that the extent of Lessee's obligation to restore the

Project shall be limited to the amount of the insurance proceeds. If the property is not repaired or rebuilt, all such proceeds shall be applied in a manner consistent with the terms of the Loans.

b. In the event that no Loan is outstanding, all insurance proceeds received under the policies set forth in this Section 20.b. shall be paid to the Lessee, provided that the Lessee shall apply such proceeds, to the extent possible, to reconstruction in a manner consistent with the provisions of Section 23.

## **21. Limitation of Liability.**

a. Lessee shall indemnify and save harmless Lessor, its officers, employees, agents, contractors, servants, directors, stockholders, partners or principals from all claims, actions, demands, costs, expenses and attorneys' fees arising out of, attributable to or otherwise occasioned, in whole or in part, by any act or omission of Lessee, its agents, contractors, servants, employees or invitees, arising from or relating to operation of the Project.

b. Lessor shall indemnify and save harmless Lessee, its officers, employees, agents, contractors, servants, directors, stockholders, partners or principals from all claims, actions, demands, costs, expenses and attorneys' fees arising out of, attributable to or otherwise occasioned, in whole or in part, by any act or omission of Lessor, its agents, contractors, servants, employees or invitees, arising from or relating to operation of the Project.

22. **Condemnation.** If the Project or the Land or any part thereof shall be taken or condemned, for any public or quasi-public purpose or use by any competent entity in appropriate proceedings, or by any right of eminent domain, the Lessor and Lessee shall request that awards and other payments on account of a taking of the Project and the Land (less costs, fees and expenses incurred by Lessor and Lessee in connection with the collection thereof) shall be divided by the presiding court between loss of value of the fee interest in the Land and loss of value of the Project. In any case, such awards and payments shall be applied as follows:

a. Net awards and payments received on account of a partial taking of the Project, other than a taking for a temporary use not exceeding one (1) year, shall be allocated and paid in the following order of priority:

(1) If Lessee reasonably believes restoration is economically feasible, and unless Lessee is then in default and the opportunity to cure has expired under the Loan Documents, first, to pay the cost of restoration of the Project, provided that the extent of Lessee's obligations to restore the Project shall be limited to the amount of the net award and payment received on account of the taking. Lessee shall furnish to Lessor evidence reasonably satisfactory to Lessor of the total cost of the restoration of the Project.

(2) Second, or first if (i) Lessee does not reasonably believe that restoration is economically feasible, or (ii) Lessee is in default and the opportunity to cure has expired under the Loan Documents, to any Lenders (in the order of their respective lien priority, if there is more than one Lender) in an amount equal to the decrease (if any) in the value of the security for their respective Loans as a result of the partial taking (calculated as set forth below in this Subsection 22.a.(2)), less amounts payable to or recovered by the Lender pursuant to such taking, but not to exceed the unpaid balance of their Loans. For purposes of this Section

22.a.(2), the amount of decrease in the value of the security for a Loan shall be the amount, if any, necessary to reduce the outstanding principal of said Loan such that the Loan to Value Ratio (as defined below) of said Loan immediately following the taking is equal to the Loan to Value Ratio of said Loan immediately preceding the taking. Loan to Value Ratio shall mean that fraction the numerator of which is the sum of the principal amount of the Loan plus the principal amounts of all Loans higher in lien priority to the Loan and the denominator of which is the appraised value of the Project immediately following the taking or immediately preceding the taking, as applicable. The values of the Project immediately preceding the taking and immediately following the taking shall be determined by an MAI or SRI appraiser selected by Lessee and who is reasonably satisfactory to Lessor.

(3) The balance, if any, shall be divided between Lessor and Lessee in the manner specified in Section 22.e. below; provided, however, if the taking has no effect on the value of the Lessor's fee interest in the Land or reversionary interest in the Improvements, the balance shall be paid exclusively to Lessee.

b. Net awards and payments received on account of a partial or total taking of only Lessor's fee interest in the Land or the reversionary interest in the Improvements (that is, a taking of Lessor's fee interest in the Land or Lessor's reversionary interest in the Improvements that has no effect on the value of Lessee's leasehold interest in the Land or Lessee's fee interest in the Improvements), including severance damages, shall be paid to Lessor, which amount shall be free and clear of any claims of Lessee, or any other persons claiming rights to the Land through or under Lessee, other than Lenders to which the Lessor has subordinated its interest in the Land.

c. Net awards and payments received on account of a taking for temporary use not exceeding one (1) year and relating to a period during the Lease Term shall be paid to Lessee; provided, however, that if such taking for temporary use has resulted in any damage to or destruction of the Project, such net awards and payments shall be first applied to pay the cost of restoration thereof if the Lessee determines that restoration is feasible. Net awards and payments received on account of a taking for temporary use not exceeding one (1) year and relating to a period beyond the Lease Term shall be paid to Lessor.

d. Net awards and payments received on account of a total taking of the Project shall be allocated and paid in the following order of priority:

(1) First, to any Lenders with then-outstanding Loans secured by the Project (in the order of their respective lien priority, if there is more than one Lender), an amount equal to the unpaid balance secured by their respective Loans to the extent there are sufficient funds to make such payments;

(2) The balance, if any, shall be divided between Lessor and Lessee in the manner specified in Section e. below; provided, however, if the taking has no effect on the value of the Lessor's fee interest in the Land or reversionary interest in the Improvements, the balance shall be paid exclusively to Lessee.

e. Lessee shall receive reimbursement for any funds it has reasonably expended for repair and/or reconstruction of the Project (other than funds received from Lenders). Lessor shall receive that portion of the balance equal to the balance multiplied by a fraction the numerator of which is the number of years elapsed from the date of the Lease to the date of the taking, and the denominator of which is thirty (30). Lessee shall receive the balance after deduction of the Lessor's portion.

f. Lessee shall receive any award granted for or allocated to trade fixtures, moving expenses or loss of business.

g. If the Project is taken or condemned during the last five (5) years of the Lease Term under circumstances described in Section 22.a. above, Lessee may elect to terminate the Lease and proceeds of any payment or award shall be distributed in accordance with the provisions of Sections 22.d. and 22.e. above.

**23. Administration of Construction Fund in the Event of Condemnation, or Damage or Destruction of Project.** In the event that the Loans have been paid in full, and if the Project or any part of it is to be repaired or reconstructed, after damage or destruction of the Project or its condemnation, all proceeds collected under any and all policies of insurance, referred to in Section 18 above covering such damage or destruction, or all compensation received for such taking by the exercise of the power of eminent domain, shall be paid into a special trust fund to be created and held by the Lessee and to be designated as the Construction Fund, during such repairing or reconstructing. Any surplus of such insurance or condemnation proceeds remaining after the completion of all payments for such repairing or reconstructing shall be held or applied by the Lessee in a manner consistent with the applicable provision of Sections 22 and 23 or Sections 18, 19, 20 and 21.

**24. Lessee, Lessor, Lenders to be Made Parties in Legal Proceedings.**

a. In the event proceedings shall be instituted (i) for the exercise of the power of eminent domain, or (ii) as a result of any damage to or destruction of the Project, the Lessee, Lessor, and any Lender with a then-outstanding Loan shall be made parties to those proceedings, and if not made parties by the petitioning party, shall be brought into the proceedings by appropriate proceedings of other parties so that adjudication may be made of the damages, if any, to be paid to the Lessee, Lessor and Lenders as compensation for loss of their rights in the Improvements or the Land, or for damage to or destruction of the Project. Should Lessor or Lessee receive notice of institution of any proceedings subject to Section 22, the party receiving such notice shall notify the other in accordance with Section 36.b of this Lease, not later than thirty (30) days after receiving such notice.

b. The Lessor and the Lessee shall cooperate and consult with each other in all matters pertaining to the settlement, compromise, arbitration, or adjustment of any and all claims and demands for damages on account of damage to or destruction of the Project, or for damages on account of the taking or condemnation of the Improvements or the Land.

**25. Non-Discrimination.**

a. The Lessee or its designee shall not, in the selection or approval of Program Participants or provision of services or in any other matter, discriminate against any person or group of persons on the grounds of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry. In addition, Lessee covenants by and for the Lessee and the Lessee's successors, assigns and all persons claiming under or through the Lessee that this Lease is made subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Land nor shall the Lessee or any person claiming under or through Lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of Program Participants, lessees, sublessees, subtenants or vendees on the Land.

b. Lessor shall be entitled to invoke any remedies available at law or in equity to redress any breach of these Sections or to compel compliance therewith by the Lessee.

**26. Lessor to Give Peaceful Possession.** The Lessor covenants that it owns in fee simple, and that it has good and marketable title to the Land and that the Land is free of all easements, covenants, conditions and restrictions except for those exceptions disclosed on **Exhibit C** to this Lease. The Lessor has the full right and authority to make this Lease. The Lessor covenants and warrants that the Lessee shall have, hold and enjoy, during the Lease Term, peaceful, quiet and undisputed possession of the Land leased without hindrance or molestation by or from anyone so long as the Lessee is not in default under this Lease after expiration of any applicable cure periods.

**27. Lessor to Lease Project with Marketable Title.** Except as disclosed in Section 26, the Lessor covenants and warrants that there are no outstanding liens or encumbrances on the Land.

**28. Lessor to Obtain Necessary Governmental Approvals.** The Lessor covenants that all necessary approvals have been obtained from any and all governmental agencies in compliance with all laws, ordinances, and regulations requisite to leasing of the Land.

**29. Release of Lessor.** Lessor may sell, assign, transfer or convey all or any part of Lessor's interest in the Land, reversionary interest in the Improvements or this Lease without obtaining Lessee's consent, provided that the purchaser, assignee, or transferee expressly assumes all of the obligations of the Lessor under this Lease by a written instrument in a form reasonably satisfactory to Lessee and recordable in the Official Records of San Mateo County. In the event Lessor intends to sell all or any part of the Land, Lessor shall notify Lessee of such intention not later than ten (10) days before close of escrow. In the event of a sale, assignment, transfer or conveyance by Lessor of the Land or its rights under this Lease, the same shall operate to release Lessor from any future liability upon any of the covenants or conditions of this Lease, expressed or implied, in favor of Lessee, and in such event Lessee shall look solely to the successor in interest of Lessor in and to the Land or this Lease. This Lease shall not be affected by any such sale, and Lessee agrees to attorn to any such purchaser or assignee.

30. **Encumbrance by Lessor.** Lessor shall not encumber or hypothecate its interest in the Land or any part thereof with any mortgage, deed of trust or other form of security interest. Any existing mortgagee shall agree in writing in form satisfactory to Lessee not to disturb Lessee's possession of the Land in the event such mortgagee should foreclose or otherwise exercise its remedies under its loan documents provided Lessee agrees to attorn to such mortgagee.

31. **Lessor Estoppel.** Upon reasonable notice from any Lender, Lessor agrees to provide such Lender with an estoppel certificate stating whether (a) the Lease is in full force and effect; (b) any defaults exist at the time of the estoppel certificate, (c) any notices of default have been given to Lessee which defaults have not been cured, and (d) any other information reasonably requested by any Lender.

32. **Events of Default; Remedy of Default by Lessee.**

a. Any one or more of the following events shall constitute an "Event of Default":

(1) Failure to pay rent, as required pursuant to Section 4 of this Lease, or any other payment required hereunder, and continuance of such failure for a period of thirty (30) days after receipt by the Lessee of written notice specifying the nonpayment; or

(2) Failure of the Lessee to observe and perform any covenant, condition or agreement hereunder on its part to be performed, and (i) continuance of such failure for a period of ninety (90) days after receipt by the Lessee of written notice specifying the nature of such default, or (ii) if by reason of the nature of such default the same cannot be remedied within said ninety (90) days, the Lessee fails to proceed with reasonable diligence after receipt of said notice to cure the same; or

(3) Lessee's abandonment of the Land for the period of time required for such abandonment to be legally recognized as such under California law; or

(4) A general assignment by Lessee for the benefit of creditors; or

(5) The filing of a voluntary petition by Lessee, or the filing of an involuntary petition by any of Lessee's creditors seeking the rehabilitation, liquidation or reorganization of Lessee under any law relating to bankruptcy, insolvency or other relief of debtors, provided that in the case of an involuntary petition Lessee shall have ninety (90) days to cause such petition to be withdrawn or dismissed; or

(6) The appointment of a receiver or other custodian to take possession of substantially all of Lessee's assets or of this leasehold which appointment is not withdrawn or dismissed within ninety (90) days; or

(7) Lessee becomes insolvent or declares in writing it is unwilling to pay its debts as they become due; or any court enters a decree or order directing the winding up or liquidation of Lessee or of substantially all of its assets; or Lessee takes any action toward the dissolution or winding up of its affairs or the cessation or suspension of its use of the Project; or

(8) attachment, execution or other judicial seizure of substantially all of Lessee's assets or this leasehold, which is not dismissed, bonded, or stayed within ninety (90) days.

b. Whenever any default shall have occurred and be continuing and upon expiration of any applicable cure periods provided herein, and subject to the cure rights of Lenders and limited partners of Lessee set forth in this Lease, the Lessor may take whatever action at law or in equity as may appear reasonably necessary to enforce performance or observance of any obligations, agreements, or covenants of the Lessee under this Lease, including without limitation, termination of this Lease. In the event of such default, Lessor's remedies shall be cumulative, and no remedy expressly provided for in this Section shall be deemed to exclude any other remedy allowed by law.

33. **Remedy of Material Breach by Lessor.** If the Lessor defaults under the Lease, the Lessee shall give the Lessor and the Lenders written notice requiring that the default be remedied by the Lessor. If the default is not cured within the time set forth by the Lessee (which shall be a reasonable time for curing the default and shall in any event be at least thirty (30) days), the Lessee and Lenders may take any action as may be necessary to protect their respective interests. Such action, in the event that the Lessor shall fail to perform any of its obligations under this Lease and such failure shall continue after the expiration of the cure period specified in this Section, shall include the right of the Lessee and Lenders to cure such default and receive any expenditure with interest thereon (at the reference rate then in effect at Wells Fargo Bank, N.A.) from Lessor within thirty (30) days after sending to Lessor a statement therefor.

34. **Termination.** In the event of a total taking or in the event of damage, destruction, or a partial taking, other than a temporary taking of the Project, which Lessee reasonably determines renders continued operation of the Project infeasible both as a whole and in substantial part, this Lease shall terminate (except if Lessee is rebuilding the Project in accordance with the terms of this Lease), and in such event any proceeds shall be allocated pursuant to Section 20 or Sections 22, 23 or 24, as appropriate. In the event of a partial taking that does not result in termination pursuant to this Section 34, this Lease shall remain in full force and effect as to the portion of the Project remaining, except that Rent otherwise payable hereunder shall be equal to an amount determined by multiplying the Rent by the ratio that the number of square feet in the Improvements after such taking bears to the number of square feet in the Improvements prior to the taking.

35. **Grant/Loan From California Department of Housing and Community Development.** In the event Lessee obtains a grant or loan or other form of aid from the California Department of Housing and Community Development ("HCD"), Lessor agrees as follows for the benefit of both Lessee and HCD:

The California Department of Housing and Community Development ("HCD"), or its assignees, may at its option, at any time before the rights of the Lessee under this Lease shall be terminated as hereinafter provided for, pay any of the rents due hereunder or do any other act or thing required of Lessee by the terms hereof, or do any act or thing that may be necessary and proper to be done by



observance of the covenants and conditions hereof or to prevent the termination hereof. All payments so made and all things so done and performed by HCD shall be as effective to prevent a termination of the rights of Lessee hereunder or assignee of Lessee as if the same would have been done and performed by Lessee.

**36. Miscellaneous.**

a. **Instrument Is Entire Agreement.** This Lease and the attached Exhibits constitute the entire agreement between the parties with respect to the matters set forth herein. This Lease shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Lessor and the Lessee relating to the lease of the Land by the Lessor to the Lessee.

b. **Notices.** All notices hereunder shall be in writing signed by Authorized Officer(s) and shall be sufficient if sent by United States first class, certified mail, postage prepaid, or express delivery service with a receipt showing the date of delivery, addressed:

if to the Lessor: Mid-Peninsula Housing Coalition  
658 Bair Island Road, Suite 300  
Redwood City, CA 94063

if to the Lessee: Shelter Network of San Mateo County  
1450 Chapin Avenue, 2<sup>nd</sup> Floor  
Burlingame, CA 94010

or any other address as either party may have furnished to the other in writing pursuant to the requirements of this Section 36.b. as a place for service of notice. Any notice so mailed shall be deemed to have been given on the delivery date or the date that delivery is refused by the addressee, as shown on the return receipt.

c. **Recording.** A Memorandum of Lease shall be recorded in the Office of the Recorder in the county in which the Project is located.

d. **Non-Waiver of Breach.** Neither the failure of the Lessor or the Lessee to insist upon strict performance of any of the covenants and agreements of this Lease nor the failure by the Lessor or Lessee to exercise any rights or remedies granted to such parties under the terms of this Lease shall be deemed a waiver or relinquishment (i) of any covenant herein contained or of any of the rights or remedies of the Lessee or Lessor hereunder, (ii) of the right in the future of the Lessor or Lessee to insist upon and to enforce by any appropriate legal remedy a strict compliance with all of the covenants and conditions thereof, or (iii) the right of the Lessor to recover possession of the Land.

e. **Effective Date; Counterparts.** This Lease shall become effective upon the commencement of the Lease Term set forth in Section 3. This Lease may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

f. **Lease Binding on Successors.** This Lease and all of its provisions and attached Exhibits shall inure to the benefit of, and shall be binding upon, the Lessor, the Lessee, and their respective permitted successors and permitted assigns and, as provided in Subsection 14.c(10), Lenders of Lessee.

g. **Relationship of Parties.** Nothing contained in this Lease shall be deemed or construed by the parties or by any third party to create the relationship of principal or agent or of partnership, joint venture or association or of buyer and seller between Lessor and Lessee, it being expressly understood and agreed that neither the computation of any payments and other charges under the terms of this Lease nor any other provisions contained in this Lease, nor any act or acts of the parties, shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.

h. **No Merger.** There shall be no merger of this Lease or any interest in this Lease nor of the leasehold estate created hereby, with the fee estate in the Land, by reason of the fact that this Lease or such interest therein, or such leasehold estate may be directly or indirectly held by or for the account of any person who shall hold the fee estate in the Land, or any interest in such fee estate, nor shall there be such a merger by reason of the fact that all or any part of the leasehold estate created hereby may be conveyed or mortgaged in a leasehold mortgage to a leasehold mortgagee who shall hold the fee estate in the Land or any interest of the Lessor under this lease.

i. **Gender and Number.** Words of any gender used in this Lease shall be held to include any other gender, and any words in the singular number shall be held to include the plural (and vice versa), when the sense requires.

j. **Titles.** The titles and section headings are inserted only for convenience, and are in no way to be construed as a part of this Lease or as a limitation on the scope of the particular provisions to which they refer.

k. **Severability.** If any provision of this Lease or the application of any provision to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

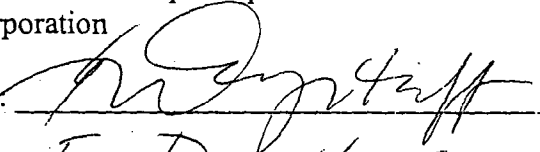
[Remainder of page intentionally left blank]

1. **Applicable Law.** This Lease shall be governed by and construed in accordance with the laws of the State of California.

**IN WITNESS WHEREOF**, the parties have executed this Lease effective as of the day and year first above written.

**LESSOR:**

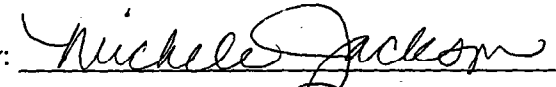
**Mid-Peninsula Housing Coalition,**  
a California nonprofit public benefit  
corporation

By: 

Its: Executive Director

**LESSEE:**

**Shelter Network of San Mateo County**  
a California nonprofit public benefit  
corporation

By: 

Its: Executive Director

## **EXHIBIT A TO GROUND LEASE**

All that real property situated in the County of San Mateo, City of San Mateo, State of California, described as follows:

Parcel 1, as delineated upon that certain Parcel Map entitled "PARCEL MAP NO. 305", filed for record in the Office of the Recorder of the County of San Mateo, State of California, on April 19<sup>th</sup>, 1989 in Book 62 of Parcel Maps, at Pages 14 and 15.

A.P.N. 032-121-200

J.P.N.: 032-012-121-08 A  
032-012-121-08.01 A

**EXHIBIT B**

[See Attached Lease Rider and Estoppel Agreement

consisting of 12 pages]

IN WITNESS THEREOF, THE PARTY HERETO HAS EXECUTED THIS LEASE RIDER AND  
ESTOPPEL AGREEMENT.

STATE OF CALIFORNIA

)  
)ss.  
)

County of \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) who 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 on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal) \_\_\_\_\_

Received: 1/ 8/ 2 2:12PM;  
1- 6-02; 2:06PM;SHELTF NETWORK

6506855881 -> CARR McCLELLAN; Page 14  
;6506855881

# 1

**EXHIBIT A**  
**LEGAL DESCRIPTION**

## EXHIBIT C

### [Permitted Exceptions]

1. Taxes and assessments, general and special, for the fiscal year 2001-2002.
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.
3. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof.

Amount: \$805,000.00

Trustor/Borrower: Mid-Peninsula Belle Haven, Inc., a California non-profit corporation

Beneficiary/Lender: The City of San Mateo Redevelopment Agency, as to an undivided 37.9% interest and the County of San Mateo, a political subdivision of the State of California, as to an undivided 62.1%

Dated: July 28, 1988

Recorded: August 2<sup>nd</sup>, 1988 in Official Records under Recorder's Serial Number 88099628

Returned to Address: Housing and Community Development, 805 Veterans Blvd., Suite 322, Redwood City, CA 94063

4. Rights and claims of parties in possession.



default; or

(ii) the Department commences and diligently pursues to completion proceedings for foreclosure and sale under the Deed of Trust or assignment or transfer in lieu of foreclosure.

5.3 Defaults Not Susceptible to Department Cure. Department shall not be required to perform any act which is not susceptible to performance by Department, such as to cure a filing or condition of bankruptcy or insolvency or to cure or commence the cure of any default which is Lessee's failure to pay any lien, charge or encumbrance which is junior in priority to the Deed of Trust, or to pay any amount owed under an indemnity of Landlord by Lessee based on an event which occurred before Department took possession of the premises.

5.4 Landlord's Payment of Loan Payments. Landlord agrees that if Landlord cures Lessee's failure to make any payment due under the Loan, it shall seek reimbursement of amounts so paid solely from Lessee and Department shall have no obligation to pay such amounts to Landlord if Department exercises its rights hereunder or under the Lease to cure Lessee's default of the Lease.

5.5 Waiver of Breach or Default. On transfer of the Leasehold at any foreclosure sale under the Deed of Trust or by acceptance of a deed in lieu of foreclosure, all violations, defaults and breaches by Lessee under the Lease, including, without limitation, nonpayment of rent or other amounts payable under the Lease, shall be deemed cured and the Department or other Transferee shall be entitled to the New Lease as described in section 6 below without incurring or assuming any liability or obligation of, or claim against, Lessee under the Lease.

5.6 Enforcement Not a Breach. No action taken by the Department to enforce its rights under any of the documents governing the Loan against either the Landlord or the Lessee, or both, including, without limitation, any actions taken to collect any amounts due and owing to the Department or any action to appoint a receiver for the Project or to otherwise protect the security of the Loan, shall constitute or result in a breach or violation of the Lease.

## 6. New Lease.

6.1 Conditions. Section 5 hereof notwithstanding, Landlord agrees to comply with the requirements of Section 6.2, if the following conditions specified in this Section 6.1 apply:

(i) the Lease is terminated for any reason whatsoever or if Department forecloses under the Deed of Trust or accepts a deed in lieu of foreclosure; and

(ii) Department or other Transferee, whether or not such party has assumed the Lease, requests Landlord in writing to enter into a new lease of the Property within forty-five (45) days after (a) the Department completes a foreclosure under the Deed of Trust, (b) the Department accepts a deed in lieu of foreclosure, or (c) the end of the cure period provided to the Department in the Termination Notice.

6.2 Obligations. If the conditions specified in Section 6.1 have been satisfied, Landlord

shall perform each of the following obligations:

6.2.1 Upon receipt of the request for New Lease described in subsection 6.1 (ii) above Landlord shall enter into a new lease (the "New Lease") of the Property with the Department, its nominee, or its successor-in-interest or other Transferee, for the remainder of the term of the Lease, effective as of the date of the conveyance pursuant to a foreclosure sale or of a deed-in-lieu. The New Lease shall be on the terms, and with the provisions, covenants, options and agreements contained in the Lease or granted by the Landlord in connection with the Lease all as modified or supplemented by this Agreement.

6.2.2 Landlord shall by grant deed convey to the Department, its nominee or its successor-in-interest or other Transferee, all title and interest to the Project, if any, which may become vested in Landlord as a result of any termination of the Lease or foreclosure of the Deed of Trust or conveyance of Lessee's interest by deed in lieu of foreclosure.

6.2.3 Landlord shall assign to Department, its nominee, or its successor-in-interest or other Transferee, all of Landlord's interest, if any, in all existing subleases of all or any part of the Property and all attachments given by the sub-lessees.

6.3 Priority. The Leasehold estate and the title (if any) in the Project granted to the Department, its nominee or its successor-in-interest under this Section 6 shall be prior to any mortgage or other lien, charge or encumbrance on the Property, except as approved in writing by the Department or as shown in the ALTA Lender's policy of title insurance issued to and accepted by the Department.

7. Successors to Department. Subject to Section 4 hereof, if the Leasehold is transferred by a foreclosure sale under the Deed of Trust or by a deed in lieu of foreclosure, Landlord shall recognize the Transferee as the tenant under the Lease. Anything in the Lease notwithstanding, the rights and benefits of the Department under this Agreement shall benefit and may be exercised by any Transferee or by the holder of any mortgage or deed of trust which may be given to secure a portion of the purchase price in any sale by Department or its successor(s) after Department acquires the Leasehold or enters into a new lease under this Agreement.

8. Diligence of Department. So long as the Department is prevented by any process or injunction issued by any court or by any statutory stay, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Landlord or Lessee, from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof, the Department shall not be deemed for that reason to have failed to commence such proceedings or to have failed to prosecute diligently such proceedings, provided, however, that the Department shall use reasonable efforts to contest and appeal the issuance of continuance of any such process, stay or injunction.

9. Condemnation and Insurance Proceeds.

9.1 Anything in the Lease notwithstanding, all fire and other hazard or casualty insurance proceeds shall be paid to Department to the extent required by the Regulatory Agreement and subject to the rights of senior mortgage holders. A Standard 438 BFU endorsement naming Department as

mortgagee may be attached to the policy insuring the Property and the Project. In addition, in the event of any condemnation or partial condemnation all condemnation award proceeds payable on account of such condemnation or partial condemnation shall be paid to the Department to the extent required by the Regulatory Agreement, subject to the rights of holders of senior mortgages, if any.

9.2. During the term of the Loan, Department shall have the right to participate in any settlement of or stipulation of judgment with respect to any condemnation proceeding entered into with the condemnation authority affecting all or any portion of the Property or any agreement to sell all or any portion of the Property in lieu of condemnation, and no such settlement, stipulation or agreement shall be made or entered into without the Department's prior written consent. The Department shall also have the right to participate in any settlement, discussion, and/or arbitration proceeding between Landlord and Lessee with respect to the apportionment or application of any condemnation award.

10. Certificate by Landlord. Within fifteen (15) calendar days after written request by Department, Landlord shall execute and deliver to Department or to any proposed purchaser or encumbrancer of Lessee's estate a certificate declaring (i) the existence of the Lease, or New Lease as the case may be, and amendments thereto, if any; (ii) the events of default under the Lease to the best knowledge of Landlord as of the date of the certificate; (iii) any other information relating to the condition of the Lease, the Property or the Project reasonably requested by Department; and (iv) that Landlord understands the recipient will rely on the certificate.

11. Notices. Notices and other communications required by this Agreement shall be delivered by messenger to the addresses provided below or sent by U.S Postal Service certified mail, return receipt requested, postage prepaid, addressed as follows:

To Department: Department of Housing and Community Development  
Emergency Housing and Assistance Program  
P.O. Box 952054  
Sacramento, CA 94252-2054  
Attn. EHAP Program Manager  
or:  
1800 Third Street, Suite 390-4  
Sacramento, CA 95814  
Attn: EHAP Program Manager

To Landlord:

To Lessee:

These addresses may be changed by a notice given in the same manner. Notices shall be effective

on receipt.

12. Department's Rights Against Lessee. Nothing in this Agreement shall limit or restrict the Department's rights and remedies under the Deed of Trust, the Development Agreement, or other agreement between Department and Lessee.

13. Successors and Assigns. This Agreement shall inure to the benefit of and bind the successors and assigns of the Department, Landlord and Lessee. -

14. Uninsured Hazard. Landlord agrees that neither the Department nor any person acquiring the Property or a portion of the Leasehold pursuant to a foreclosure under the Deed of Trust, or deed in lieu of foreclosure, nor the lessee under a new lease pursuant to Section 6 hereof, nor any successive owner of a portion of the Leasehold after such foreclosure or new lease shall have any obligation hereunder or under the Lease or new lease to repair or reconstruct any damage or loss to the Project which is due to a hazard not required to be covered by insurance under the Lease.

15. Duty to Repair. Landlord agrees that if the Department, its nominee, or its successor-in-interest succeeds to Lessee's leasehold interest in the Property and if the Project on the Property shall have been or become materially damaged before or after the date of such acquisition, the Department's, its nominee's, or its successor-in-interest's obligation, if any, to repair, replace or reconstruct the Project shall in any such event be limited to the greater of: i) the amount of the net insurance proceeds received by the Department by reason of that damage or, ii) the amount the Department would be entitled to if in compliance with the minimum insurance requirements of Lessee under the Lease.

16. Options. Landlord and Lessee agree that Department may exercise any option to extend the term of the Lease or to purchase any interest in the Property which is granted to Lessee under or in connection with the Lease.

17. Limitation on Liability. If Department agrees to be bound by the terms of the Lease, or in the event of any Transfer to a Transferee, neither the Department nor Transferee shall have any obligation under the Lease with respect to any liabilities, obligations, losses, damages, fines, penalties, claims, demands, suits, actions, causes of actions, charges, judgments, costs, and expenses (including architects' and attorneys' fees and court costs) arising out of or resulting from acts, omissions, circumstances or events occurring before or existing at the time of such Transfer or the Department's agreement to be bound by the Lease.

18. Conflict With Lease. The provisions herein are intended to be supplementary to, and not in derogation of, the parties' rights and obligations contained in the Lease (including all of Department's rights under the Lease as a leasehold mortgagee), but in the event of any conflict or inconsistency between the terms of the Lease and the terms of this Agreement, the terms of this Agreement shall govern and control, and the Lease shall be deemed to be modified hereby.

Landlord and Lessee acknowledge that Department is relying on the above representations,

warranties, covenants and agreements of the undersigned in making the Loan to Lessee, and warrant and affirm to and for the benefit of the Department that each of those representations is true, correct and complete as of this date.

Date: \_\_\_\_\_

Department:

Department of Housing and  
Community Development

Date: \_\_\_\_\_

by: \_\_\_\_\_  
Carlos Patterson, Homeless Program Manager

\_\_\_\_\_

Date: \_\_\_\_\_

by: \_\_\_\_\_  
Landlord

Date: \_\_\_\_\_

by: \_\_\_\_\_  
Lessee

*[Notarize all signatures using attached notary blocks]*

Rev. 10/01

IN WITNESS THEREOF, THE PARTY HERETO HAS EXECUTED THIS LEASE RIDER AND ESTOPPEL AGREEMENT.

STATE OF CALIFORNIA

)  
)ss.  
)

County of \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) who 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 on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

IN WITNESS THEREOF, THE PARTY HERETO HAS EXECUTED THIS LEASE RIDER AND ESTOPPEL AGREEMENT.

STATE OF CALIFORNIA

)  
)ss.  
)

County of \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) who 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 on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

Free recording in accordance  
with California Government  
Code Sections 6103 and 72383

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:  
Department of Housing and  
Community Development  
P. O. Box 952052  
Sacramento, CA 94252-2052  
Attn: EHAP-CD Program  
Program Manager, 00-EHAP CD-«LoanNo»

---

LEASE RIDER  
AND  
ESTOPPEL AGREEMENT

Date: \_\_\_\_\_

(Ground Lease)

This Lease Rider and Estoppel Agreement (the "Agreement") is made and entered into as of the date indicated above by and among \_\_\_\_\_ a California non-profit public benefit corporation ("Landlord"), «Applicant\_Name», a California \_\_\_\_\_ ("Lessee") and the Department of Housing and Community Development, a public agency of the State of California ("Department") in consideration of the following facts and circumstances:

A. Landlord is the fee simple owner of that certain real property described in Exhibit A hereto (the "Property");

B. Landlord and Lessee entered into that certain Ground Lease of the Property dated as of \_\_\_\_\_, \_\_\_\_\_ (the "Lease"), [a Memorandum of] which was recorded in the official records of «County» County on \_\_\_\_\_, \_\_\_\_\_ as Instrument No. \_\_\_\_\_;

C. Lessee has received an Emergency Housing Assistance Program Capital Development loan from the Department (the "Loan"). The Loan will provide funds for the construction or improvement of the Property for operation as a homeless shelter or transitional housing project or for the payment of rent pursuant to the Lease. As a result of such construction, improvements or lease payments Landlord will benefit thereby;

D. The Loan will be secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "Deed of Trust") on [Landlord's and] Lessee's interests in the Property; and

-1-

F. Lessee and Landlord have requested that the Department accept the Lease as security for the Loan. In order to induce the Department to make the Loan, Landlord and Lessee have agreed to enter into and record this Agreement for the benefit of the Department, its successors, and assigns.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants hereinafter contained, Department, Lessee and Landlord hereby agree as follows:

1. Leasehold. As used herein, "Leasehold" means all of Lessee's interest in the Property described in Exhibit A, in the Project, in all improvements now or hereafter located on the Property, all options contained in the Lease or granted in connection with the Lease, and all other rights of Lessee under the Lease.

2. Representations and Warranties of Landlord. Landlord hereby represents and warrants to Department as follows:

2.1 Transfers by Landlord. Landlord has not assigned, mortgaged, or otherwise hypothecated or transferred, or agreed to assign, mortgage or otherwise hypothecate or transfer, its interest in the Property and the Project in whole or in part, except as shown in the ALTA Lender's policy of title insurance issued to and accepted by the Department in connection with the Loan and except as security for loans to Lessee approved in writing by the Department. Landlord will not renew, modify, consolidate, replace or extend any document securing or creating any such assignment, mortgage or other transfer without the written approval of the Department.

2.2 Status of Lease.

(a) Landlord is the current Lessor under the Lease. The Lease is in full force, the Lease is not void, voidable or terminable at the option of any party thereto or of any other person or entity claiming an interest in or to such Lease or the Property, and there has been no default thereunder on the part of Lessee, nor has any event occurred which, with the giving of notice or the passage of time, or both, would be an event of default thereunder. Landlord has not been informed of and has not otherwise received notice from Lessee or from any other person or entity concerning any alleged default on the part of Landlord under the Lease. There exist no defenses or offsets to enforcement of the Lease by Lessee.

(b) Any consent or approval of any third party (including any lender) that is required to deliver this Agreement has been obtained.

(c) No alterations, improvements or additions now exist on the Property that have not been approved by the Landlord.

2.3 Other Agreements. All terms and conditions of the Lessee's tenancy under the Lease are set forth in the Lease and there have been no further or other supplements, amendments, modifications or extensions thereof except those submitted to and approved by the Department. Pursuant to the requirements of the Emergency Housing Assistance Capital Development Program ('EHAP CD'), Lessee and Department have entered into a Regulatory Agreement, (including any amendments thereto, the



"Regulatory Agreement") governing the use, occupancy, operation, management and ownership of the Project. The Lease contains no provisions in conflict with or which would frustrate compliance with the Regulatory Agreement, which Landlord and Lessee hereby waive any such provisions of the Lease in favor of the terms of the Regulatory Agreement.

2.4 Lease Term. The date of the commencement of the Lease term is \_\_\_\_\_, and will end on \_\_\_\_\_, 20\_\_\_\_. All conditions precedent to the effectiveness of the Lease or the exercise of any of Lessee's rights thereunder have been fully satisfied. Lessee has the following options to extend the lease term: \_\_\_\_\_.

2.5 Project. The Project constructed, or to be constructed and operated by Lessee on the Property satisfies all requirements affecting the design, use or characteristics of such Project imposed by Landlord under the Lease.

2.6 Insurance. All notices, certificates, binders, endorsements, copies of policies, and receipts required under the Lease have been delivered and approved by Landlord.

3. Cancellation, Transfer of Interest

3.1 Landlord and Lessee agree that so long as the Department, its successor or assigns holds a deed of trust encumbering the Lease, no termination of the Lease by Lessee, and no subordination, cancellation, surrender, amendment or modification of the Lease shall be effective without the prior written consent of the Department.

3.2 Landlord agrees that it shall not transfer, convey, sell, hypothecate, assign, encumber or permit any liens against its interest, or any portion thereof, in the Property or the Project without the prior written approval of the Department, except as security for loans to Lessee approved in writing by the Department.

4 Consent to Assignment, Payment of Rent.

4.1 Landlord hereby consents to the following as permitted assignments under the Lease:

4.1.1 Lessee's encumbering the Lease, the Leasehold and the Project by the Deed of Trust; possession of the Property and any Project thereon by Department or by a receiver under the Deed of Trust; and sale of the Leasehold and the Project by foreclosure under the Deed of Trust or transfer by deed in lieu of foreclosure;

4.1.2 assignments to Department of subleases and rents from subleases; and

4.1.3 assignment of all or any part of any interest in the Leasehold to any purchaser at a foreclosure sale under the Deed of Trust or to any transferee of a deed in lieu of foreclosure (such purchaser or transferee collectively a "Transferee"), and to subsequent transfers without restriction (all such

assignments, transfers, and subsequent transfers referred to in this Agreement as a "Transfer"). Any such Transferee, upon the Transfer of all its interest in the Project and the Leasehold, shall be relieved of all liability under the Lease accruing after date of such Transfer. An interest in a deed of trust on the Leasehold securing any unpaid part of the purchase price in connection with any such Transfer shall not be considered retention of an interest in the Leasehold for purposes of this subsection.

4.2 Nothing in this Agreement, in the Deed of Trust or in the Lease shall impose on the Department the obligations of Lessee under the Lease or require the Department to assume the Lease unless the Department forecloses on the Leasehold under the Deed of Trust or accepts an assignment of a deed in lieu of foreclosure.

4.3 Landlord and Lessee agree that in the event that any amounts become due and payable to the Department pursuant to the note evidencing the Loan or the Deed of Trust, Lessee shall not (except as may be approved in writing by the Department) make any payments of rent or additional rent to Landlord to the extent that such amounts payable to the Department remain unpaid. Instead Lessee shall pay over to the Department such rent payments as shall be payable to Landlord and any such payments received by the Department shall be applied to the amounts due and payable to it, including interest, until paid in full. Landlord agrees that no event of default shall arise under the Lease as a result of Lessee's compliance with this Section 4.3.

5. Notice of Defaults; Termination Notice.

5.1 Notice and Cure. Landlord agrees to give the Department immediate notice of all defaults by Lessee under the Lease (whether or not notice thereof is required under the Lease), and to give simultaneously to the Department a written copy of all notices and demands which Landlord gives to Lessee, and no notice or demand under the Lease shall be effective unless and until notice is given to Department. Any notice of default under the Lease or this Agreement shall describe the default(s) with reasonable detail. The Department shall have the right, but not the obligation, to cure any breach or default within the time period given in the Lease; provided that, if such notice to the Department is not given or is delayed for any reason, the period of time within which the Department may cure any such breach or default shall commence upon receipt by the Department of such notice. Landlord and Lessee authorize the Department to enter the Property for the purpose of preventing defaults or exercising its right to cure and other powers given the Department under the Deed of Trust, this Agreement or the Lease.

5.2 Termination Notice. After the expiration of the grace period given Lessee under the Lease to cure the default, Landlord shall not terminate the Lease on account of such default but shall give Department a written notice (a "Termination Notice") that Lessee has failed to cure the default within the grace period and that, on account thereof, Landlord intends to terminate the Lease, which notice shall set a termination date not earlier than sixty (60) days after Department's receipt of the Termination Notice. No Termination Notice shall be effective to terminate the Lease if:

(i) except as provided in Section 5.3, within sixty (60) days after receipt of the Termination Notice, the Department cures any default which can be cured by payment or expenditure of money or without possession of the Property; or provides reasonable assurance and undertakings for the cure of such

SAN MATEO COUNTY  
MEMORANDUM

DATE: 2/4/2003  
TO: Priscilla Harris Morse FAX: 363-4864 PONY: EPS 163  
FROM: Lucho Bravo  
FAX: (650) 596-3478 PONY: HSA210  
SUBJECT: Contract Insurance Approval

The following is to be completed by the department before submission to Risk Management:

CONTRACTOR NAME: Shelter Network

DOES THE CONTRACTOR TRAVEL AS A PART OF THE CONTRACT SERVICES?:

NUMBER OF EMPLOYEES WORKING FOR CONTRACTOR:

DUTIES TO BE PERFORMED BY CONTRACTOR FOR COUNTY: Please see memorandum

The following will be completed by Risk Management:

INSURANCE COVERAGE:	Amount	Approve	Waive	Modify
<i>via MPC Belle Haven, Inc.</i> Comprehensive General Liability	\$ 2 M	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motor Vehicle Liability	\$ 1 M	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional Liability	\$	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Workers' Compensation	\$ 1 M	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS/COMMENTS:

  
Risk Management Signature

2-5-03  
Date

ACORD®

**EVIDENCE OF PROPERTY INSURANCE**

DATE (MM/DD/YY)

12/30/02

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY

<b>PRODUCER</b>		<b>Phone (A/C, No, Ext):</b> 415-541-7900	<b>COMPANY</b>	
Acordia of California Insurance Services, Inc. 45 Fremont Street, Suite 800 San Francisco, CA 94105			Travelers Indemnity Company of Illinois	
<b>CODE:</b>		<b>SUB CODE:</b>		
<b>AGENCY CUSTOMER ID #:</b>				
<b>INSURED</b>		<b>LOAN NUMBER</b>	<b>POLICY NUMBER</b>	
203  Shelter Network 658 Bair island Rd, Suite 300 Redwood City, CA 94063			PJ-630-265X4826-TIL 03	
		<b>EFFECTIVE DATE</b>	<b>EXPIRATION DATE</b>	<b>CONTINUED UNTIL</b>
		1-1-03	1-1-04	<input type="checkbox"/> TERMINATED IF CHECKED
<b>THIS REPLACES PRIOR EVIDENCE DATED:</b>				

**PROPERTY INFORMATION****LOCATION/DESCRIPTION**

Re: 319 Villa Terrace, San Mateo

**COVERAGE INFORMATION**

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Blanket Buildings - Special Form - Replacement Cost - Agreed Amount - Ordinance of Law	\$371,396,306	\$5,000
Blanket Business Personal Property - Special Form - Replacement Cost - Agreed Amount	\$2,276,667	\$5,000
Blanket Rents - Special Form - 100% Contribution	\$37,303,914	72 Hours
Rating Values: Building: \$109,819 Rents: \$included below		
Coverage excludes damage caused by or resulting from Fungus and Mold.		


**REMARKS (Including Special Conditions)**

Certificateholder in full is County of San Mateo, A Political Subdivision of the State of California Housing &amp; Community Development. 438 BFUNS is attached to the policy.

**CANCELLATION**

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISION OR AS REQUIRED BY LAW.

**ADDITIONAL INTEREST**

<b>NAME AND ADDRESS</b>  County of San Mateo  262 Harbor Blvd., Building A  Belmont, CA 94002  ACORD 27 (3/93)	<input checked="" type="checkbox"/>	<b>MORTGAGEE</b>	<b>ADDITIONAL INSURED</b>
	<input checked="" type="checkbox"/>	<b>LOSS PAYEE</b>	
	<b>LOAN #</b>		
	<b>AUTHORIZED REPRESENTATIVE</b> 		

# CERTIFICATE OF INSURANCE

ISSUE DATE:

12/30/02

PRODUCER:

**ACORDIA OF CALIFORNIA INSURANCE SERVICES, INC.**

45 FREMONT STREET, SUITE 800

SAN FRANCISCO, CALIFORNIA 94105 415-541-7900

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER OTHER COVERAGE AFFORDED BY THE POLICIES BELOW.

## COMPANIES AFFORDING COVERAGE

COMPANY LETTER A Travelers Indemnity Company of Illinois

COMPANY LETTER B Travelers Indemnity Company of Illinois

COMPANY LETTER C Travelers Indemnity Company of Illinois

COMPANY LETTER D State Compensation Insurance Fund

COMPANY LETTER E Aetna Casualty & Surety

INSURED:

**Shelter Network**

658 Bair Island, Suite 300

Redwood City, CA 94063

Company: 203

## COVERAGES AND LIMITS

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE	POLICY EXP. DATE	DESCRIPTION	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMM. GENERAL LIAB. <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCURRENCE <input type="checkbox"/> OWNER'S & CONTRACT'S PROT	PJ-630-265X4826-TIL03	1-1-03	1-1-04	GENERAL AGGREGATE PROD-COMP/OP AGG. PERS & ADV. INJURY EACH OCCURRENCE FIRE DAMAGE (One Fire) MEDICAL EXPENSE (One Person)	2,000,000 2,000,000 1,000,000 1,000,000 50,000 5,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY	PJ-810-265X4826-TIL03	1-1-03	1-1-04	COMBINED SINGLE LIMIT BODILY INJURY (Per Person) BODILY INJURY (Per Accident) PROPERTY DAMAGE	1,000,000
C	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	PSMJ-CUP-346K0652-TIL03	1-1-03	1-1-04	EACH OCCURRENCE AGGREGATE	10,000,000 10,000,000
D	WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY	Group 498 Unit 3231	10-1-02	10-1-03	<input checked="" type="checkbox"/> STATUTORY LIMITS EACH ACCIDENT DISEASE - POLICY LIMIT DISEASE - EACH EMPLOYEE	1,000,000 1,000,000 1,000,000
E	OTHER INSURANCE Employee Dishonesty	005BU103137233BCM	1-1-03	1-1-04	Each Occurrence	2,000,000

### DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS:

Certificateholder is named as Additional Insured per D105 attached. Re: 319 Villa Terrace, San Mateo, CA. Subject to ten (10) days notice of cancellation for non-payment of premium. Loan #:

NAME AND ADDRESS OF CERTIFICATE HOLDER:

**County of San Mateo, A Political Subdivision of the State of California Housing & Community Development**

262 Harbor Blvd., Building A  
Belmont, CA 94002

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE:

*Shirley A. M. Daulty*

COMMERCIAL GENERAL LIABILITY

POLICY NUMBER: PJ-630-265X4826-TIL03

NAMED INSURED: Shelter Network

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BLANKET ADDITIONAL INSURED – OWNERS, LESSEES  
OR CONTRACTORS**

This endorsement modifies insurance provided under the following:

~~COMMERCIAL GENERAL LIABILITY COVERAGE PART~~

**PROVISIONS:**

1. WHO IS AN INSURED (SECTION II) is amended to include as an insured any person or organization (called hereafter "additional insured") whom you have agreed in a written contract, executed prior to loss, to name as additional insured, but only with respect to liability arising out of "your work" or your ongoing operations for that additional insured performed by your or for you.

in a written contract for this insurance to apply on a primary or contributory basis.
2. With respect to the insurance afforded to Additional Insureds the following conditions apply:
  - a. Limits of Insurance – The following limits of liability apply:
    1. The limits which you agreed to provided; or
    2. The limits shown on the declarations, whichever is less.
  - b. This insurance is excess over any valid and collectible insurance unless you have agreed
3. This insurance does not apply:
  - a. on any basis to any person or organization for whom you have purchased an Owners and Contractors Protective policy.
  - b. to "bodily injury," "property damage," "personal Injury," or "advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
    1. The preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
    2. Supervisory, inspection or engineering services.

**CERTIFICATE HOLDER:**

County of San Mateo, A Political Subdivision of the  
State of California Housing & Community  
Development  
262 Harbor Blvd., Building A  
Belmont, CA 94002