

OFFER TO PURCHASE REAL PROPERTY AND PURCHASE AND SALE AGREEMENT

This Offer To Purchase Real Property and Purchase and Sale Agreement ("Agreement"), dated for reference purposes only as of the 8th day of November, 2005 is by and between **TUSCAN TOWER, LLC**, a limited liability company ("Buyer"), and the **COUNTY OF SAN MATEO**, a political subdivision of the State of California ("County" or "Seller").

RECITALS

- A. The County is the current fee owner of that certain road fund remnant parcel of land hereinafter identified as the "Winslow Remnant" consisting of approximately 3,000 square feet of land.
- B. The County has a long-standing commitment to ensuring a full range of housing choices for its citizens, with the goal that housing exists for people at all income levels and for all generations of families.
- C. To further this goal, the County is prepared to sell the Winslow Remnant to Buyer pursuant to Streets and Highways Code Section 960 at less than fair market value, provided that the conditions of sale ensure the creation of two affordable housing units that would not otherwise be constructed.
- D. The Buyer is the current fee owner of certain real property located adjacent to the Winslow Remnant consisting of approximately 15,000 square feet of land as more particularly described in the attached Exhibit B (the "Fuller Street Property").
- E. The Buyer desires to assemble a site of approximately 18,000 square feet of land consisting of the Fuller Street Property and the Winslow Remnant, which site is more particularly described in the attached Exhibit "C" (the "Property") for the purpose of constructing thereon improvements consisting of residential condominium units to be offered for sale (the "Project"). The Project will include affordable units as set forth in this Agreement.

AGREEMENT

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer hereby offers to purchase from the County and County agrees to sell, that certain real property more particularly described in the attached Exhibit A (the "Winslow Remnant"), under the terms and subject to the conditions and contingencies set forth below:

1. **Consideration:** The consideration for this conveyance of title to the Property includes multiple components, and the failure to timely complete any or all of them shall

amount to a failure of consideration. Buyer shall make a monetary payment, the "Cash Payment." In addition, Buyer shall construct or cause to be constructed no fewer than two units of affordable housing which are in addition and shall not supplant the number of units of affordable housing that may be required by the City of Redwood City as a condition of the permits or approvals required to complete the Project (hereafter also referred as "Additional Affordable Units" or "Eighty Percent Units.") Said two Additional Affordable Units shall be ownership units rather than rentals. In further addition, Buyer shall ensure that the initial sales of said two Eighty Percent Units are as affordable housing as defined below and subject to the terms and conditions set forth in Exhibit D. After the close of escrow for the sale of the Two Additional Affordable Units to the initial qualifying homeowners, Buyer shall have no further responsibility or liability for the affordability of the Two Additional Affordable Units. However, it is intended that said units shall remain affordable, and the affordability of said Two Additional Affordable Units following their initial sale shall be governed by the terms of the Resale Restrictions that are attached hereto and incorporated by reference as Exhibit D. The County of San Mateo acknowledges that the Buyer is in no way responsible for administering or finding an agent to administer the Resale Restriction Agreement and Option to Purchase as set forth in Exhibit D. In the event that any or all of said components are not met, this agreement shall be null and void for failure of consideration.

The Cash Payment for the Winslow Remnant shall be a sum equal to any reasonable administrative costs of the County of San Mateo incurred in facilitating the transfer of title of the Winslow Remnant to Buyer including, without limitation, the ordinary and customary charges for staff time in completing appraisals, negotiations, document preparation and other related administrative functions. In no event shall the Cash Payment exceed Fifty Thousand Dollars (\$50,000.00), payable as follows:

Twenty Five Thousand Dollars (\$25,000.00) by certified check, cashier's check, or money order, on execution of this Agreement, payable to the County of San Mateo or evidence that this amount has been deposited into an escrow account at the title insurance company identified below. The balance of the Cash Payment to be payable to the County of San Mateo at the close of escrow for any additional amount, if applicable, beyond the original payment of \$25,000, not to exceed \$50,000. The County of San Mateo shall present to Buyer an accounting of all administrative activities and costs associated with this transaction. Said administrative activities and the costs thereof are the sole discretion of the County of San Mateo. If less than \$25,000 is accounted for, then the County of San Mateo shall reimburse Buyer at the close of escrow for the difference.

As additional consideration for the Winslow Remnant, the Buyer agrees to the conditions and restrictions set forth in Section 2 (Conditions – Additional Units of Affordable Housing).

2. Conditions – Additional Units of Affordable Housing:

A. Definitions:

The following terms shall have the meanings assigned to them in this Section. With respect to those sections that are based on statutes or regulations in effect at the time this Agreement is executed, these definitions shall be construed to reflect amendments to said statutes or regulations.

- i. "Developer" shall mean the Buyer or its successors or assigns in ownership of the Property.
- ii. "Project" shall mean the Developer's interest in the Property and any improvements constructed on the Property, which improvements shall include residential condominium units to be developed by the Developer.
- iii. "Unit" shall mean one of the residential units comprising the Project.
- iv. "Median Income" shall mean the median gross yearly income, adjusted for Actual Household Size as specified herein, in the County of San Mateo, California, as published from time to time by the State of California or the U.S. Department of Housing and Urban Development. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the County shall provide the Developer with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by the State.
- v. "Adjusted Income" shall mean the total anticipated annual income of all persons in a household, as calculated in accordance with 25 California Code of Regulations Section 6914 or pursuant to a successor state or federal housing program that utilizes a reasonably similar method of calculation of adjusted income. In the event that no such program exists, the County shall establish a reasonably similar method of calculation of adjusted income as provided in said Section 6914.
- vi. "Actual Household Size" shall mean the actual number of persons in the applicable household.
- vii. "Assumed Household Size" shall mean a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three (3) persons in the case of a two-bedroom unit, four (4) persons in the case of a three-bedroom unit and five (5) persons in the case of a four-bedroom unit, unless the Project receives financing from a federal program that utilizes different household size assumptions, in which event the federal program household size assumptions shall be utilized.
- viii. "Eighty Percent Household" shall mean a household with an Adjusted Income that does not exceed eighty percent (80%) of Median Income, adjusted for Actual Household Size.

- ix. "Eighty Percent Unit" shall mean a Unit that is required to be occupied by an Eighty Percent Household.
- x. "Owner" shall mean a qualified household occupying an Eighty Percent Unit.
- xi. "City Affordable Unit" shall mean any Unit in the Project that may be required by the City of Redwood City.
- xii. "Additional Affordable Units" shall mean the two Eighty Percent Units required by this Agreement as consideration for sale of the Winslow Remnant at less than fair market value, and shall not include any units of affordable housing that may be required by the City of Redwood city as part of the city's permit or other approval process.

This Agreement is entered on the condition that Buyer will develop the Project on the Property and make said Additional Affordable Units available for affordable housing as set forth in Exhibit D. The Project will be primarily comprised of Units for sale at market rate prices.

In addition to possible City Affordable Units, the Project will include the Additional Affordable Units, which Units shall be Eighty Percent Units. The two Additional Affordable Units shall accommodate a total of six (6) persons under the Assumed Household Size as set forth above (i.e., two two-bedroom Units or a one-bedroom Unit and a three-bedroom Unit).

As soon as practicable following recording of the subdivision map for the Project, the Resale Restriction Agreement and Option To Purchase, attached hereto as Exhibit D, shall be recorded in the Office of the Recorder of the County of San Mateo as a restriction on the sale of the Units that are identified as the Additional Affordable Units (also referred to as "Eighty Percent Units.")

B. Seller's Right of Reversion

Seller shall retain a reversionary interest in the Winslow Remnant. If Buyer fails to record a subdivision map for the Project within three years of the Date of Closing set forth herein, OR to commence construction of the Project within four years of the Date of Closing, OR to meet each and every one of the affordable housing requirements set forth in this Agreement Seller, at its sole discretion, shall have the following alternative rights:

- (1) Seller may require Buyer, at Buyer's sole cost and expense, to reconvey all right title and interest in the Winslow Remnant according to the procedures set forth in the paragraph. Within 30 days of the receipt of notice from Seller, Buyer will execute and deliver to escrow a grant deed reconveying the Winslow Remnant to Seller. Buyer shall, at its sole cost and expense, deliver to Seller clear title to the Winslow Remnant, subject only to such liens and encumbrances as exist at the time of transfer of fee title to Buyer at the Date of Closing. In the

event Buyer fails to timely comply with this provision, Buyer shall pay all of Seller's costs to enforce this provision including, without limitation, attorney's fees.

(2) By giving written notice to Buyer, Seller may elect to accept additional cash consideration in lieu of exercising its right of reversion. Such compensation shall be in the sum of Six Hundred Thousand Dollars (\$600,000), as hereinafter adjusted (the "Cash Alternative"). The Cash Alternative shall increase annually on the anniversary date of the Date of Closing by an amount equal to the increase in the Consumer Price Index, All Urban Consumers, San Francisco-Oakland-San Jose, All Items, 1982-1984=100, between the month that the Index was last published prior to the Date of Closing and the month that the Index was last published prior to such anniversary date. The amount so calculated shall be immediately due and payable, and shall become a lien against the Winslow Remnant and the Project. Upon receipt by Seller of payment of the Cash Alternative, Buyer shall have no further obligation to restrict the sale price or transfer of the Two Additional Units as set forth herein, and Seller shall cooperate as reasonably necessary to remove any recorded restrictions required by Seller in relation to this Agreement.

3. **Escrow:** This sale shall be consummated through an escrow established with First American Title Company, 550 Marshall Street, Redwood City, California. The closing date for the escrow shall be on or before February 1, 2006. Escrow shall be considered closed when the deed to the property and the Restrictions (Exhibit D) are recorded (the "Date of Closing").

Prior to January 25, 2006 each party shall execute and deliver to the escrow holder its written instructions consistent with the terms and conditions of this Agreement and shall provide the escrow holder with such other information, documents, and instruments as the escrow holder may reasonably require to enable it to close the transaction within the time set forth herein.

If the designated escrow holder is unable or unwilling to act, Seller shall designate another escrow holder subject to Buyer's approval, which approval shall not be unreasonably withheld or delayed.

4. **Deed and Title:** In consideration of Buyer's full performance of all conditions set forth herein, Seller shall convey to Buyer by grant deed a fee simple interest in the Winslow Remnant, subject to a right of reversion and restrictions as hereinafter set forth. Other than the assurances of a grant deed the Seller does not warrant the condition of the title to the property to be sold.

Buyer shall take title as Tuscan Tower, LLC, and voluntarily accepts any and all legal and tax consequences of this form of taking title, subject to Section 7(i) below.

5. **Closing Costs:** Buyer shall pay the cost of preparing, executing, acknowledging and delivering the grant deed. Buyer shall pay all recording fees, escrow

fees, the premium for the title insurance policy (if any), all fees and costs for any new financing, and shall pay any transfer taxes.

6. **Time of the Essence**: Time is of the essence of this Agreement and failure to comply with this provision shall be a material breach of this Agreement. Unless previously extended in writing by Buyer and Seller, the escrow shall close not later than the date specified in Section 3 (Escrow). If the escrow fails to close as provided above, Buyer or Seller may at any time thereafter give written notice to the escrow holder to cancel the escrow and return purchase money and documents in escrow to their respective depositors. The escrow holder shall comply with the notice without further consent from any other party to the escrow. Cancellation of escrow as provided here shall be without prejudice to whatever legal rights Buyer and Seller may have against each other.

7. **"As Is" Clause; No Warranties Given by Seller**: Buyer acknowledges that Buyer is purchasing the property solely in reliance on Buyer's own investigation, and that no representations or warranties of any kind whatsoever, express or implied, have been made by Seller or its agents, except as set forth in 7(i) below. Buyer further acknowledges that Buyer is aware of all zoning and other governmental regulations, site and physical conditions, and other matters affecting the use and condition of the property. Buyer shall not, by reason of eminent domain, destruction of all or any part of the property without Seller's fault, or change in zoning or other government regulations, site and physical conditions, and other matters affecting the use and condition of the property after execution of this Agreement by Buyer, be relieved of the obligation to complete the purchase. Buyer shall bear the risk of all losses by eminent domain, destruction without the Seller's fault, or changes in zoning or other government regulations, site and physical condition or other matters affecting the use and condition of the property after the execution of this Agreement by Buyer.

i. **Exception**: The County of San Mateo hereby represents and warrants to Buyer as follows:

(a) the County is the current fee owner of that certain road fund remnant parcel of land hereinafter identified as the "Winslow Remnant" consisting of approximately 3,000 square feet of land;

(b) that subject to Section 9(xii)(c) below, the undersigned representative of the County has the authority and power to enter into and effect this Agreement;

(c) that to the County's knowledge, as of the date of execution of this Agreement, there are no actions, or lawsuits pending against the County of San Mateo regarding the Winslow Remnant; and

(d) that any lawfully assessed taxes and fees that may be a lien against the Winslow Remnant shall be prorated as of the "Closing Date".

Buyer's Initials:

8. **Term of the Agreement:** The term of this Agreement shall commence on the date it is first fully executed and delivered, and shall terminate upon the completion of construction of the Additional Affordable Units. However, the terms of Exhibit D shall survive the term of this Agreement.

9. **Miscellaneous Provisions:**

(i) **Assignment:** Buyer shall not assign this Agreement without prior written consent of Seller.

(ii) **Possession:** Seller shall deliver possession of the property to Buyer on the close of escrow.

(iii) **Binding on Successors:** This Agreement inures to the benefit of, and is binding on, the parties, their respective heirs, personal representatives, successors and assigns.

(iv) **Captions:** The caption headings of the sections of this Agreement are for convenience only and shall not be considered to limit, expand, or define the contents of their respective sections.

(v) **Gender/Number:** The masculine, feminine, or neuter gender and the singular and the plural number, shall each be considered to include the other whenever the context so requires.

(vi) **Choice of Law:** This Agreement shall be interpreted under California law and in accordance with its fair meaning, and not in favor or against any party.

(vii) **Prior Agreements:** This Agreement constitutes the entire Agreement between the parties and supersedes all prior discussions, negotiations, and agreements whether oral or written. Any amendment to this Agreement, including an oral modification supported by new consideration, must be reduced to writing and signed by both parties before it will be effective.

(viii) **Joint and Several Liability:** If Buyer consists of more than one person, each of such persons shall be jointly and severally liable hereunder.

(ix) **Brokers:** No real estate brokers are involved in this transaction.

(x) **Waiver**: No waiver by a party of any provision of this Agreement shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision, including the time for performance of any such provision. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

(xi) **Notices**: All notices, demands, requests, consents, approvals, waivers, or communications ("notices") that either party desires or is required to give to the other party or any other person shall be in writing and either personally served or sent by prepaid, first class mail. Notices shall be deemed communicated 48 hours from the time of mailing if mailed as provided in this Section. Notices shall be addressed as appears below for each party, provided that if either party gives notice of a change of name or address, notices to the giver of that notice shall thereafter be given as demanded in that notice.

To Seller:
Real Property Services Manager
County of San Mateo
455 County Center
Redwood City, CA 94063-1662

To Buyer:
Tuscan Tower, LLC
c/o Kevin Sayar
124 2nd Street, Suite 7
Los Altos, CA 94022

(xi) **Other Terms**: Clauses, plats, exhibits and riders, if any, initialed and dated by the parties and endorsed on or affixed to this Agreement are a part hereof.

(xii) **Authority of Parties**:

(a) **Corporate Authority**. If Buyer is a corporation, each party executing this Agreement on behalf of the corporation represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of said corporation, in accordance with a duly adopted resolution of the board of directors of the corporation or in accordance with the by-laws of the corporation, and that this Agreement is binding upon the corporation in accordance with its terms.

(b) **Partnership**. If Buyer is a partnership or other unincorporated association, each party executing this Agreement on behalf of the partnership or other association represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of the partnership or association, in accordance with the partnership agreement or the agreement of said association.


(c) **Authorized Representative of the County of San Mateo.** The County Manager or the designee of the County Manager shall be the only authorized agent of the Seller for purposes of giving any notices or exercising any rights or options of Seller under this Agreement. This Agreement shall not be valid unless and until executed by the President of the Board of Supervisors of the County of San Mateo pursuant to a resolution adopted by said Board of Supervisors.

BALANCE OF PAGE INTENTIONALLY BLANK.

The undersigned Buyer offers and agrees to buy the property on the terms and conditions stated in this Agreement and acknowledges having read and received a copy of the Agreement at the time of execution.

Buyer: Tuscan Tower, LLC

Dated: 11/08/05, 2005

BY: 

ITS: PRESIDENT

10. **Acceptance:** The undersigned Seller accepts and agrees to sell the property on the terms and conditions stated in this Agreement.

Seller: County of San Mateo

BY: _____

Richard S. Gordon
President, Board of Supervisors

Attest: _____
Clerk of Said Board

Resolution No. _____

Dated: _____, 2005

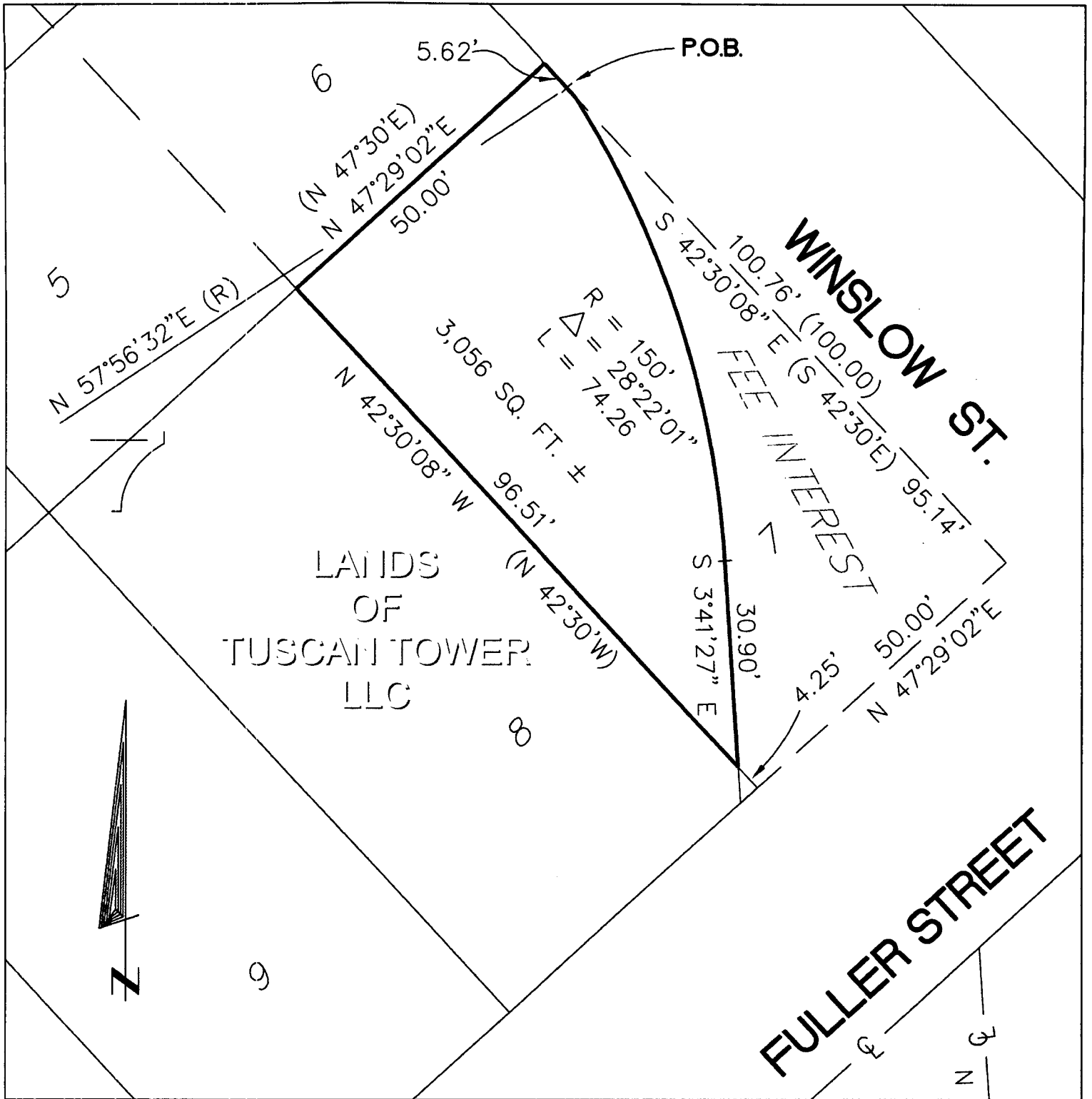
Exhibit "A"
Description of Winslow Remnant

EXHIBIT "A"

A portion of Lot 7, Block 7, Range "D", Town of Mezesville" recorded August 1, 1856 in Book 1, Page 79, Subdivision Maps of San Mateo County, described as follows:

Beginning at a point in the northeasterly line of said lot 7, distant South 42°30'08" East 5.62 feet from the most northerly corner of said lot; Thence from said POINT OF BEGINNING on a non-tangent curve to the right, from a radial bearing of North 57°56'32" East, having a radius of 150 feet, a central angle of 28°22'01", an arc length of 74.26 feet, thence South 3°41'27" East 30.90 feet to a point located North 42°30'08" West, 4.25 feet from the Southeasterly line of Lot 7; thence North 42°30'08" West 96.51 feet; thence North 47°29'02" East 50.00 feet; thence South 42°30'08" East 5.62 feet to the point of beginning.

Containing 3,056 square feet, more or less.



() MAP REFERENCE

REVISED: 3/2001
 REVISED: 4/24/2004
 REVISED: 11/4/2004

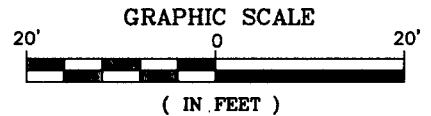


EXHIBIT "A"

LANDS OF SAN MATEO COUNTY
 REMAINDER OF COP #2578

Exhibit "B"
Description of Fuller Street Property

LEGAL DESCRIPTION

Real property in the City of Redwood City, County of San Mateo, State of California, described as follows:

Parcel I:

Lot 8, Block 7, Range "D", as shown on that certain map entitled, "Town of Mezesville, San Mateo County, California", filed in the Office of the Recorder of the County of San Mateo, State of California on August 1, 1856 in Book 1 of Maps at Page 76.

APN: 052-334-060
JPN: 052-033-334-06a

Parcel II:

Lot 9, Block 7, Range "D", as shown on that certain map entitled, "Town of Mezesville, San Mateo County, California", filed in the Office of the Recorder of the County of San Mateo, State of California on August 1, 1856 in Book 1 of Maps at Page 79.

APN: 052-334-070
JPN: 052-033-334-07a

Parcel III:

Lot 10, Block 7, Range "D", as shown on that certain map entitled, "Town of Mezesville, San Mateo County, California", filed in the Office of the Recorder of the County of San Mateo, State of California on August 1, 1856 in Book 1 of Maps at Page 79.

APN: 052-334-080
JPN: 052-033-334-08a

Exhibit "C"
Description of the Property

LEGAL DESCRIPTION

Real property in the City of Redwood City, County of San Mateo, State of California, described as follows:

Parcel I:

Lot 8, Block 7, Range "D", as shown on that certain map entitled, "Town of Mezesville, San Mateo County, California", filed in the Office of the Recorder of the County of San Mateo, State of California on August 1, 1856 in Book 1 of Maps at Page 79.

APN: 052-334-060
JPN: 052-033-334-06a

Parcel II:

Lot 9, Block 7, Range "D", as shown on that certain map entitled, "Town of Mezesville, San Mateo County, California", filed in the Office of the Recorder of the County of San Mateo, State of California on August 1, 1856 in Book 1 of Maps at Page 79.

APN: 052-334-070
JPN: 052-033-334-07a

Parcel III:

Lot 10, Block 7, Range "D", as shown on that certain map entitled, "Town of Mezesville, San Mateo County, California", filed in the Office of the Recorder of the County of San Mateo, State of California on August 1, 1856 in Book 1 of Maps at Page 79.

APN: 052-334-080
JPN: 052-033-334-08a

Parcel IV

A portion of Lot 7, Block 7, Range "D", Town of Mezesville" recorded August 1, 1856 in Book 1, Page 79, Subdivision Maps of San Mateo County, described as follows:

Beginning at a point in the northeasterly line of said lot 7, distant South 42°30'08" East 5.62 feet from the most northerly corner of said lot; Thence from said POINT OF BEGINNING on a non-tangent curve to the right, from a radial bearing of North 57°56'32" East, having a radius of 150 feet, a central angle of 28°22'01", an arc length of 74.26 feet, thence South 3°41'27" East 30.90 feet to a point located North 42°30'08" West, 4.25 feet from the Southeasterly line of Lot 7; thence North 42°30'08" West 96.51 feet; thence North 47°29'02" East 50.00 feet; thence South 42°30'08" East 5.62 feet to the point of beginning.

Exhibit "D"
Affordability Restrictions

Parcel No.

WHEN RECORDED MAIL TO:
Real Property Services
County of San Mateo
455 County Center, 5th Floor
Redwood City, CA 94063

To be recorded without fee.
(G.C. Sections 6103 and 27383)

(Space Above This Line For Recorder's Use Only)

**RESALE RESTRICTION AGREEMENT
AND OPTION TO PURCHASE**

OWNER: _____

PROPERTY ADDRESS: _____
Redwood City, CA

This RESALE RESTRICTION AGREEMENT AND OPTION TO PURCHASE ("Agreement") is entered into by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California (the "County") and _____ ("Owner") regarding certain improved real property which is more particularly described in Exhibit A attached hereto and incorporated herein and commonly known as _____, Redwood City, CA, (the "Property") effective as of _____, 20____, ("Effective Date"). County and Owner are hereinafter collectively referred to as the "Parties."

RECITALS

- A. To further its goal of creating affordable home ownership opportunities for low-income persons and families (the "Goal"), the County transferred to the developer of the Property at less than fair market value the fee simple interest in a remnant parcel of land.
- B. Owner is an eligible purchaser qualifying as an Eighty Percent Household as hereinafter set forth, intends to live in the Property as an owner occupant, and agrees to maintain the Property as Owner's principal residence.
- C. In order to maintain and preserve the Property as housing affordable to eligible low-income purchasers, it is necessary to restrict the use and resale of the Property through imposition of the occupancy and resale restrictions set forth herein (the "Program"). These restrictions are intended to prevent initial and subsequent purchasers from using

the Property for purposes incompatible with the Goal and realizing unwarranted gains from sales of the Property at unrestricted prices. The terms and conditions of this Agreement are intended to provide the necessary occupancy and resale restrictions to ensure that the Property is used, maintained, and preserved as housing affordable to eligible low-income purchasers. To ensure enforcement of the Program, it is necessary that the County be granted an option to purchase the Property so that the Property may be resold by the County to an eligible household.

- D. The Property constitutes a valuable community resource by providing decent, safe, and sanitary housing to persons and families of low-income that otherwise would be unable to afford such housing. To protect and preserve this resource it is necessary, proper, and in the public interest for the County to administer occupancy and resale controls consistent with the Goal by means of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the substantial economic benefits inuring to Owner and the public purposes to be achieved under the Program, Owner and County hereby agree as follows:

1. Definitions.

- a) "Affordable Unit Cost" shall, be as defined In the Regulations, as follows:
"Owner-occupied units are deemed affordable units if the sales price results in annual housing expenses that do not exceed 35% of maximum income level for low-income households, adjusted for household size and as defined below."
- b) "Assumed Household Size" shall mean a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three (3) persons in the case of a two-bedroom unit, four (4) persons in the case of a three-bedroom unit and five (5) persons in the case of a four-bedroom unit, unless the Project receives financing from a federal program that utilizes different household size assumptions, in which event the federal program household size assumptions shall be utilized.
- c) "Area low-Income for San Mateo County" means those income and eligibility levels determined, updated, and published each year by the California Department of Housing and Community Development, based on San Mateo County median income levels, adjusted for household size.
- d) "Eighty Percent Unit" means a unit that is occupied by a household with an Adjusted Income that does not exceed eighty percent (80%) of Median Income, adjusted for household size .
- e) "Persons and families of low-income" means persons and families whose income does not exceed eighty percent (80%) of the Area Median Income for San Mateo County, as adjusted for household size.
- f) Persons and families meeting the definition set forth in Paragraph 1(c) above shall be referred to as "Eligible Households."

2. Program Requirements.

- a) **Affordability Restrictions.** Owner hereby covenants and agrees that during the term of this Agreement all of the requirements and restrictions of this Agreement shall apply, and the Property shall be sold or otherwise transferred only pursuant to the terms and conditions of this Agreement and only to (i) Eligible Households at a price not to exceed the Adjusted Resale Price, as defined in Paragraph 5, (ii) the County pursuant to Paragraph 3, or (iii) a permitted transferee pursuant to Paragraph 9.
- b) **Disclosure.** DURING THE TERM OF THIS AGREEMENT THERE SHALL BE NO SALE OR OTHER TRANSFER OF THE PROPERTY WITHOUT THE WRITTEN CERTIFICATION BY THE COUNTY THAT THE TRANSFEEE QUALIFIES AS AN ELIGIBLE HOUSEHOLD AND THAT THE PROPERTY IS BEING TRANSFERRED AT A PRICE NOT TO EXCEED THE ADJUSTED RESALE PRICE, WHICH IS CAPPED AT THE AFFORDABLE UNIT COST AS DEFINED IN PARAGRAPH 1a HEREOF. ANY SALE OR OTHER TRANSFER OF THE PROPERTY IN VIOLATION OF THIS COVENANT SHALL BE VOIDABLE BY THE CITY.
- c) **Principal Residence Requirement.** OWNER COVENANTS AND AGREES THAT HE/SHE/THEY SHALL OCCUPY THE PROPERTY AS HIS/HER/THEIR PRINCIPAL RESIDENCE FOR THE DURATION OF HIS/HER/THEIR OWNERSHIP AND SHALL NOT RENT OR LEASE THE PROPERTY OR PORTION THEREOF DURING THE TERM OF THIS AGREEMENT WITHOUT PRIOR WRITTEN APPROVAL OF THE COUNTY.

Without limiting the generality of the foregoing, any absence from the Property by Owner for a period of ninety (90) or more days shall be deemed an abandonment of the Property as the principal residence of Owner in violation of the conditions of this Paragraph. Upon request by the County made from time to time, the Owner of the Property shall submit an affidavit to the County certifying that the Property is the Owner's principal residence and provide such documents and other evidence as may be requested to verify Owner's compliance with this requirement. Abandonment of the Property shall constitute an Option Event (as defined in Paragraph 3.c below) and shall entitle the County to exercise its Option to purchase the Property.

3. Option to Purchase.

- a) **Grant of Option to Purchase.** Owner hereby grants to the County an option ("Option") to purchase, at the Adjusted Resale Price as hereinafter defined, all of Owner's right, title and interest in and to the Property upon the occurrence of an Option Event (defined in Paragraph 3.c below), subject to the terms and conditions contained herein.
- b) **Assignment of the Option.** The County may assign the Option to another government entity, a non-profit affordable housing provider or a person or family that qualifies as an Eligible Household. The County's assignment of the Option

shall not extend any time limits contained herein with respect to the exercise period of the Option or the period within which the Property must be purchased.

c) **Events Giving Rise to Right to Exercise Option.** The County shall have the right to exercise its Option upon the occurrence of any of the following events (each, an "Option Event"):

- i. Receipt of a Notice of Intent to Transfer (defined in Paragraph 3.d.i below);
- ii. Any actual, attempted or pending sale, conveyance, transfer, lease or other attempted disposition of the Property or of any estate or interest therein, except as provided in Paragraph 10 below;
- iii. Any actual, attempted or pending encumbrance of the Property, including without limitation by way of mortgage or deed of trust, or by judgment, mechanics, tax or other lien, except as provided in Paragraph 9 below;
- iv. Recordation of a notice of default to California Civil Code section 2924 (or successor provisions) under any deed of trust or mortgage with a power of sale encumbering the Property;
- v. Commencement of a judicial foreclosure proceeding regarding the Property;
- vi. Execution by Owner of any deed-in-lieu of foreclosure transferring ownership of the Property;
- vii. Commencement of a proceeding or action in bankruptcy, whether voluntary or involuntary, pursuant to Title 11 of the United States Code or other bankruptcy statute, or any other insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship, concerning the Owner; or
- viii. Any violation by Owner of any provision of this Agreement including, without limitation, the conditions set forth in Paragraph 2 above.

d) **Method of Exercising the Option.**

- i. **Notice of Intent to Transfer.** If Owner desires to sell, convey, transfer (other than pursuant to Paragraph 9) lease, encumber (other than pursuant to Paragraph 10) or otherwise dispose of the Property or of any estate or interest therein, no less than [45 days] prior to the date of such proposed sale, conveyance, transfer, lease, encumbrance or disposition, Owner shall notify County in writing to that effect (the "Notice of Intent to Transfer"). The Notice of Intent to Transfer shall be in substantially the form attached hereto as Exhibit B. In the case of a proposed sale of the Property to an identified prospective purchaser, the Owner shall submit to the County, together with the Notice of Intent to Transfer, a copy of the prospective purchaser's income certification, a list of all assets owned by the prospective purchaser, and other financial information reasonably requested by County, in a form approved by the County, along with the income certification to be provided to any lender making a loan to the prospective purchaser. The County may

require documentation evidencing and supporting the income and other financial information contained in the certifications.

- ii. **Notice of Exercise.** Upon the occurrence of any Option Event, the County may exercise its Option by delivering notice, pursuant to Paragraph 16 and within the time period specified in Paragraph 3(d)(iv), to Owner of County's intent to exercise such Option pursuant to the terms of this Agreement ("Notice of Exercise"). The Notice of Exercise may be in the form attached hereto and incorporated herein as Exhibit C, or in such other form as the County may from time to time adopt. If the Option Event relates to the potential foreclosure of a mortgage under Paragraphs 3.c.iv, 3.c.v, or 3.c.vi, then the County shall also deliver the Notice of Exercise to the mortgagee or beneficiary under such mortgage, at such mortgagees or beneficiary's address of record in the Office of the Recorder of San Mateo County.
- iii. **Notice of Consent to Transfer.** If the County does not exercise the Option, it may give its consent to the occurrence of the Option Event ("Consent to Transfer"). If the Option Event involves a proposed sale of the Property to a prospective purchaser, the County's consent shall be conditioned upon (i) the proposed purchaser's qualification as an Eligible Household; (ii) the sale of the Property at a price not to exceed the Adjusted Resale Price; (iii) the proposed purchaser's execution of a Disclosure Statement in the form attached hereto as Exhibit F or such other form or forms as may be promulgated by the County; and (iv) the proposed purchaser's assumption of Owner's duties and obligations under this Agreement pursuant to a written assumption agreement in a form acceptable to County, or execution of an agreement substantially similar to this Agreement, within thirty (30) days after the consent to Transfer has been delivered to Owner and recordation of such assumption agreement or substitute agreement. SELLER SHALL PAY REAL ESTATE COMMISSIONS, IF ANY, WHICH SHALL NOT TO EXCEED 6% OF THE ACTUAL SALES PRICE. . If the prospective purchaser (i) fails to qualify as an Eligible Household, (ii) fails to execute and deliver the Disclosure Statement to the County, or (iii) fails to execute and deliver to the County an assumption agreement or an agreement substantially similar to this Agreement within such thirty (30) day period, then the Consent to Transfer shall expire and the County may, at its option, either notify Owner of the disqualification, thereby entitling Owner to locate another purchaser who qualifies as Eligible Household, or exercise the Option, as if no Consent to Transfer had been delivered.
- iv. **Time Period for Notice.** The County shall deliver the Consent to Transfer, if applicable, not later than thirty (30) days after the date that it receives notification of an Option Event. The County, shall deliver a Notice of Exercise, if applicable, on or before the date which is the later to occur of the following: (i) thirty (30) days after the date that the County receives notification of an Option Event or (ii) fifteen (15) days after a Consent to Transfer has expired. For purposes of computing commencement of the delivery periods, the County shall be deemed to have received notification of an Option Event on the date of delivery of a Notice of Intent to Transfer, pursuant to the terms of Paragraph 16 below or on the date it actually receives notice of default, summons and complaint or other pleading, or other writing specifically stating that an Option Event has occurred. The County shall have no obligation to deliver a Notice of Exercise or Consent to Transfer, and the applicable time period for exercise of the Option shall not commence to run, unless and until the County has received notification of

an Option Event in the manner specified in this subparagraph. If there is a stay or injunction imposed by court order precluding the County from delivering its Consent to Transfer or Notice of Exercise within the applicable time period, then the running of such period shall cease until such time as the stay is lifted or the injunction is dissolved and the County has been given written notice thereof, at which time the period for delivery of a Consent to Transfer or Notice of Exercise shall again begin to run.

- v. **Notice of Abandonment.** If the County fails to deliver a Notice of Exercise or Consent to Transfer within the time periods set forth in paragraph 3.d.iv, upon request by Owner, the County shall cause to be filed for recordation in the Office of the Recorder of San Mateo County, a notice of abandonment, which shall declare that the provisions of the Option are no longer applicable to the Property. Unless Owner requests recordation of notice of abandonment within 30 days of the County's failure to deliver Notice of Exercise or Consent to Transfer, the County shall have no obligation to record the notice of abandonment. Upon recordation of a notice of abandonment, the Option shall terminate and have no further force and effect. If the County fails to record a notice of abandonment, the sole remedy of Owner shall be to obtain a judicial order instructing prompt recordation of such a notice.
- vi. **Right to Reinstatement.** If the Option Event is the recordation of a notice of default, then the County shall be deemed to be Owner's successor in interest under California Civil Code Section 2924c (or successor section) solely for purposes of reinstatement of any mortgage on the Property that has led to the recordation of the notice of default. As Owner's deemed successor in interest, the County shall be entitled to pay all amounts of principal, interest; taxes, assessments, homeowners' association fees, insurance premiums, advances, costs, attorneys' fees and expenses required to cure the default. If the County exercises the Option, then any and all amounts paid by the County pursuant to this Paragraph shall be treated as Adjustments to the Base Resale Price for the Property, as defined in Paragraph 5 below.
- vii. **Inspection of Property.** After receiving a Notice of Intent to transfer or delivering a Notice of Exercise, the County shall be entitled to inspect the Property one or more times prior to the close of escrow to determine the amount of any Adjustments to the Base Resale Price. Before inspecting the Property, the County shall give Owner not less than forty-eight (48) hours written notice of the date, time and expected duration of the inspection. The inspection shall be conducted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday, excluding court holidays, unless the parties mutually agree in writing to another date and time. Owner shall make the Property available for inspection on the date and at the time specified in the County's request for inspection.
- viii. **Escrow.** Promptly after delivering a Notice of Exercise, the County shall open an escrow account for its purchase of the Property. Close of escrow shall take place on such date which is the later to occur of the following, (a) sixty (60) days after a Notice of Exercise has been delivered, or (b) ten (10) days after Owner has performed all acts and executed all documents required for close of escrow. Prior to the close of escrow, the County shall deposit into escrow with a title company of County's choosing, the Adjusted Resale Price as defined in Paragraph 5 below and all escrow fees and closing costs to be paid by County. Commissions (not to exceed 6% of the

actual sales price), closing costs and title insurance shall be paid pursuant to the custom and practice in the County of San Mateo at the time of the opening of escrow, or as may otherwise be provided by mutual agreement. Owner agrees to perform all acts and execute all documents reasonably necessary to effectuate the close of escrow and transfer of the Property to the County.

- ix. **Proceeds of Escrow Removal of Exceptions to Title.** Prior to close of escrow, Owner shall cause the removal of all exceptions to title to the Property that were recorded after the Effective Date with the exception of (i) taxes for the fiscal year in which the escrow for this transaction closes, which taxes shall be prorated as between Owner and County as of the date of close of escrow; (ii) quasi-public utility, public alley, public street easements, and rights of way of record, and (iii) such other liens, encumbrances, reservations and restrictions as may be approved in writing by County ("Permitted Exceptions").

The purchase price deposited into escrow by the County shall be applied first to the payment of any and all Permitted Encumbrances (as defined in Paragraph 10) recorded against the Property in order of lien priority, and thereafter to the payment of Owner's share of escrow fees and closing costs. Any amounts remaining after the purchase price has been so applied, if any, shall be paid to Owner upon the close of escrow. If the purchase price is insufficient to satisfy all liens and encumbrances recorded against the Property, the Owner shall deposit into escrow such additional sums as may be required to remove said liens and encumbrances. In the event that the County agrees to proceed with close of escrow prior to the date that Owner has caused all exceptions to title recorded after the Effective Date other than Permitted Exceptions to be removed, then Owner shall indemnify, defend and hold County harmless from any and all costs expenses or liabilities (including attorneys' fees) incurred or suffered by County that relate to such exceptions and their removal as exceptions to title to the Property.

4. **Base Resale Price.** Prior to adjustment pursuant to Paragraph 5 the base resale price ("Base Resale Price") of the Property shall be the lowest of:

- a) **Median Income.** The original price ("Base Price") paid by Owner for acquisition of the Property pursuant to this Agreement, increased (but not decreased) by an amount, if any, equal to the Base Price multiplied by the percentage increase in the median household income ("Median Income") for San Mateo County published by the California Department of Housing and Community Development, Division of Housing Policy Development, between the Effective Date and the date that the County receives notification of an Option Event; or
- b) **Fair Market Value.** The fair market value of the Property as determined by an appraiser selected and paid for by Owner and approved in writing by the County.

To compute the Base Resale Price, the County may use the Base Resale Price Worksheet attached as Exhibit D hereto, or such other form as the County may from time to time adopt.

5. **Adjustments to Base Resale Price.** Subject to the Affordable Unit Cost restriction described in subparagraph (d) below, the Base Resale Price shall be increased or decreased, as applicable, by the following; adjustment factors ("Adjustment"):

- a) **Capital Improvements.** An increase for capital improvements made to the Property, but only if the amount of such improvements has been previously approved in writing by the County after Owner has submitted original written documentation of the cost to the County for verification. The amount of the Adjustment shall equal the original cost of any such capital improvements.
- b) **Damages.** A decrease by the amount necessary to repair damage to the Property, if any, and to place the Property into saleable condition as reasonably determined by the County upon County's exercise of its Option hereunder, including, without limitation, amounts attributed to cleaning; painting; replacing worn carpeting and draperies; making necessary structural, mechanical, electrical and plumbing repairs; and repairing or replacing built-in appliances and fixtures. Owner hereby covenants, at Owner's expense, to maintain the Property in the same condition as in existence on the date of County's Notice of Exercise, reasonable wear and tear excepted.
- c) **Advances by the County.** A decrease in an amount equal to the sum of all costs advanced by the County for the payment of mortgages, taxes, assessments, insurance premiums, homeowner's association fees and/or associated late fees, costs, penalties, interest, attorneys' fees, post inspections, resale inspections and other expenses related to the Property, which Owner has failed to pay or has permitted to become delinquent.
- d) **Adjusted Resale Price Not to Exceed Affordable Unit Cost.** The Base Resale Price as adjusted is hereinafter referred to as the "Adjusted Resale Price". Notwithstanding any other provision hereof to the contrary, in no event shall the Adjusted Resale Price exceed the Affordable Unit Cost.

6. **Priority and Effectiveness of the Option.**

- a) **Recordation.** This Agreement shall be recorded in the Office of the Recorder of the County of San Mateo on or, as soon as practicable after the Effective Date. The Option shall have priority over any subsequent sale, conveyance, transfer, lease or other disposition or encumbrance of the Property, or of any estate or interest therein, and in the event of exercise of the Option by County, the County shall take the Property subject only to Permitted Exceptions. Except as otherwise provided in Paragraph 7a, the exercise of the Option by the County at any time and from time to time shall not extinguish the Option or cause a merger of the Option into any estate or other interest in the Property, and the Option shall continue to exist and be effective with respect to the Property against any and all subsequent owners in accordance with the terms and conditions hereof.

- b) **Request for Notice of Default.** The County shall file a Request for Notice of Default for recordation in the Office of the Recorder of the County of San Mateo promptly upon execution of this Agreement (see Exhibit E).
- c) **Subordination.** The County agrees that in order to assist qualified purchasers to secure purchase money financing for the acquisition of the Property, the County will enter into a subordination agreement with a senior purchase-money lender to subordinate this Agreement under such terms as the County and the senior purchase-money lender shall negotiate.

7. Survival of Option Upon Transfer.

- a) **In General.** The County's right to exercise the Option shall survive any transfer of the Property by Owner. Each transferee, assignee or purchaser of the Property during the term hereof shall be required to execute an agreement substantially in the form of this Agreement, provided that the term of any such agreement shall be for the duration of the term hereof as of the date of any such transfer, assignment or sale. The Option may be exercised against the Property throughout the term hereof, regardless of whether the Property is owned, possessed or occupied by Owner or any successor, transferee, assignee, heir, executor, or administrator of Owner, regardless of household income (if applicable) including a debtor-in-possession, debtor or trustee pursuant to Title 11 of the United States Code. Notwithstanding the foregoing, the Option shall not survive (i) the sale and transfer of the Property to a third party purchaser pursuant to a judicial or non-judicial foreclosure or a deed-in-lieu of foreclosure under a power of sale contained in a mortgage or deed of trust held by an institutional lender, or (ii) the recording of an instrument conveying Owner's interest in the Property to the County or its assignee, provided the conveyance is in accordance with the terms of this Agreement.
- b) **HUD Insured Mortgage.** If Owner has acquired the Property by a mortgage insured by the Secretary of the United States Department of Housing and Urban Development, and a notice of default has been recorded pursuant to California Civil Code Section 2924 (or successor provisions), then this Option shall automatically terminate if title to the Property is transferred by foreclosure or deed-in-lieu of foreclosure, or if the insured mortgage is assigned to the Secretary.

8. Voidable Transfers. As long as the Option has not been abandoned pursuant to Paragraph 3.d.v, any actual or attempted sale, conveyance, transfer or other disposition of the Property, or of any estate or interest therein, in violation of the terms and conditions of this Agreement, shall be voidable at the election of the County.

9. Permitted Transfers. Provided that the transferee, within 30 days of a written request by the County, assumes all of Owner's duties and obligations under this Agreement pursuant to a written assumption agreement in a form acceptable to County, or at County's election, execution of an agreement substantially similar to this Agreement, the following transfers ("Permitted Transfers") of title to the

Property, or of any estate or interest therein, shall not be subject to the County's prior approval, shall not trigger the exercise of the Option, and shall not be considered Option Events: (a) a good-faith transfer by gift, devise or inheritance to Owner's spouse or issue; (b) a taking of title by a surviving joint tenant; (c) a court-ordered transfer of title to a spouse as part of a divorce or dissolution proceeding; (d) a transfer by Owner into an inter vivos trust in which the Owner is a beneficiary and the Owner continues to occupy the property as; his/her/their primary residence; (e) an acquisition of title, or of any interest therein, in conjunction with marriage; or (f) any good faith transfer to an Eligible Household. Notwithstanding any Permitted Transfer, the Option shall remain effective with respect to the Property for the duration of the term hereof.

- 10. Permitted Encumbrances and Refinancing.** This Option shall not become exercisable as the result of Owner's encumbering the Property for the purpose of securing financing to purchase the Property pursuant to the Program, to refinance, indebtedness incurred to purchase the Property pursuant to the Program, or to make necessary repairs to the Property in an amount approved by County pursuant to Paragraph 5a ("Permitted Encumbrances"). The maximum aggregate amount of such encumbrances outstanding at any time (the "Permitted Encumbrance Amount") shall not exceed an amount equal to ninety percent (90%) of the Base Resale Price calculated as provided in Paragraph 4. The Permitted Encumbrance Amount shall be calculated as if the County had received notification of an Option Event on the earlier of (a) the date on which the deed of trust or mortgage securing the indebtedness is filed for record in the Office of the Recorder of the County of San Mateo, or (b) the date the County receives Notice of Intent to Transfer pursuant to Paragraph 3.d.i above. Owner hereby covenants and agrees that he/she/they shall use his/her/their best efforts to ensure that any deed of trust or other agreement encumbering the property shall include provisions providing for notice to be delivered to County of any default thereunder and for County's right to cure such default at County's election.
- 11. Obligation of Owner After Option Abandonment.** If the County records a notice of abandonment of the Option, then the Property may be sold by Owner to a third party without restriction as to price; however, upon such sale, Owner shall pay to County an amount ("County's Share") equal to twenty-five percent (25%) of the difference between (a) the actual sales price net of reasonable and customary real estate commissions paid (such commissions not to exceed six percent (%) of the actual sales price), and (b) the Adjusted Resale Price. The County's Share shall be paid to the County concurrently with close of escrow on the sale of the Property, or upon receipt by Owner of the sale price for the Property, whichever shall first occur.
- 12. Limits on Liability.** In no event shall the County become liable or obligated in any manner to Owner by reason of the assignment of this Agreement or the Option, nor shall County be in any way liable or obligated to Owner for any failure of the County's assignee to consummate a purchase of the Property or to comply with the terms of this Agreement or the Option, or any escrow instructions or agreement for the purchase of the Property.

- 13. Insurance Proceeds and Condemnation Award.** In the event the Property is destroyed and insurance proceeds are distributed to Owner instead of being used to rebuild the Property, or, in the event of condemnation, if the proceeds thereof are distributed to Owner, any surplus of proceeds remaining after payment of the senior liens and encumbrances on the Property shall be distributed as follows: that portion of the surplus up to, but not to exceed, the net amount Owner would have received pursuant to Paragraph 3.d.ix had the County exercised its Option on the date of the destruction or condemnation valuation date shall be distributed to Owner and the balance of such surplus, if any, shall be distributed to the County.
- 14. Effective Date.** The rights and obligations of the County and Owner set forth in this Agreement shall be effective as of the Effective Date.
- 15. Term of Agreement and Option.** The restrictions contained herein and the County's option to purchase the Property shall continue for a period of fifty-five (55) years commencing on the Effective Date. Notwithstanding anything to the contrary in the foregoing, the Agreement shall remain in effect until the first transfer on or after the termination of the restrictions and option to purchase pursuant to this paragraph. Upon such sale, Owner shall pay to County an amount ("County's Share") equal to twenty-five percent (25%) of the difference between (a) the actual sales price net of reasonable and customary real estate commissions paid (such commissions not to exceed six percent (6%) of the actual sales price), and (b) the Adjusted Resale Price on the date of the termination of the restrictions and option to purchase pursuant to this paragraph. The County's Share shall be paid to the County concurrently with close of escrow on the sale of the Property, or upon receipt by Owner of the sale price for the Property, whichever shall first occur. Following completion of a sale in compliance with this provision, this Agreement shall terminate.
- 16. Notices.** Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Party in accordance with this Section. All such notices shall be sent by:
- a) personal delivery, in which case notice shall be deemed delivered upon receipt;
 - b) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid, in the United States mail; or
 - c) nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier.

County: County of San Mateo
455 County Center, 5th floor
Redwood City, CA 94063
Attn: Real Property Division

Owner: At the address of the Property

17. Remedies Upon Breach.

- a) **Specific Performance.** Owner acknowledges that any breach in the performance of its obligations under this Agreement shall cause irreparable harm to the County. Owner agrees that the County is entitled to equitable relief in the form of specific performance upon its exercise of the Option, and that an award of damages shall not be adequate to compensate the County for Owner's failure to perform according to the terms of this Agreement.
- b) **Other Remedies.** County shall have all of the remedies provided for at law or equity.

18. General Provisions.

- a) **Attorneys' Fees.** If either party initiates legal proceedings to interpret or enforce its rights under this Agreement, the prevailing party in such action shall be entitled to an award of reasonable attorneys' fees and costs in addition to any other recovery to which it is entitled under this Agreement.
- b) **No Joint Venture; No Third-Party Beneficiary.** No joint venture or other partnership exists or is created between the Parties by virtue of this Agreement. Except as expressly stated herein, this Agreement does not benefit any third party.
- c) **Successors; Assignment.** This Agreement shall inure to the benefit of and shall be binding upon the Parties to this Agreement and their respective heirs, executors, administrators; successors and assigns. County shall have the right to assign all of its rights and obligations under this Agreement without the consent of Owner.
- d) **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes any and all other prior negotiations, correspondence, understandings and agreements with respect thereto. There are no representations, promises, agreements or other understandings between the Parties relating to the subject matter of this Agreement that are not expressed herein. This Agreement may be modified only by an instrument in writing executed by the Parties or their respective successors in interest
- e) **Survival; No Merger.** All of the terms, provisions, representations, warranties and covenants of the Parties under this Agreement shall survive the close of escrow of any sale of the Property and shall not be merged in any deed transferring the Property.
- f) **Authority and Execution.** Each Party represents and warrants that it has full power and authority to enter into this Agreement and to undertake all of its obligations hereunder, that each person executing this Agreement on its behalf is duly and validly authorized to do so.

- g) **Severability.** The invalidity or unenforceability of any term or provision of this Agreement shall not impair or affect the remainder of this Agreement, and the remaining terms and provisions hereof shall not be invalidated but shall remain in full force and effect.
- h) **Waiver; Modification.** No waiver or modification of this Agreement or any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the Party to be charged herewith. No evidence or any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the Parties arising out of nor affecting this Agreement or the rights or obligations of any Party hereunder, unless such waiver or modification is in writing and duly executed as aforesaid. The provisions of this section may not be waived except as herein set forth. A waiver or breach of any covenant, condition or provision of this Agreement shall not be deemed a waiver of any other covenant, condition or provision hereof.
- i) **Construction.** The section headings and captions used in this Agreement are for convenience of reference only and shall not modify, define, limit or amplify any of the terms or provisions hereof. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties have prepared it.
- j) **Governing Law.** This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of California.
- k) **Time of the Essence.** Time is of the essence in this Agreement as to each provision in which time is an element of performance.
- l) **Further Assurances.** Each Party will, upon reasonable request of the other Party, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such further instruments and documents as may be reasonably necessary in order to fulfill the intents and purposes of this Agreement.
- m) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all which together shall constitute one and the same instrument.

BALANCE OF PAGE INTENTIONALLY BLANK

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above:

OWNER(S): _____

BY: _____

BY: _____

COUNTY OF SAN MATEO

BY: _____

Its: _____

ATTEST: _____
Clerk of the Board

RESOLUTION NO.: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B
FORM: NOTICE OF INTENT TO TRANSFER

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: County of San Mateo
455 County Center, 5th floor
Redwood City, California 94063
Attn: Real Property Division

Date: _____

Re: Notice of Intent to Transfer

Pursuant to the terms of the Resale Restriction Agreement and Option to Purchase dated _____, the undersigned Owner(s), hereby give(s) notice of his/her/their intent to transfer the property located at _____, Redwood City, California (the "Property"). Owner may be contacted at the Property or at the following address:

Owner's daytime telephone number is (____) _____

[If applicable: The proposed transfer of the Property is to the following person(s):

Name: _____

Address: _____

Telephone: (____) _____

The proposed transfer is (check one):

Sale

Other: Specify: _____

Owner(s) signature(s):

EXHIBIT C
FORM: NOTICE OF EXERCISE

Date: _____

To: _____
Owner or Transferee

Address

Re: Notice of Exercise

The County of San Mateo ("County") hereby gives notice that it is exercising its option to purchase the real property located at _____, Redwood City, California. The option has been granted to the County pursuant to the Resale Restriction Agreement and Option to Purchase between Owner and the County dated _____ and recorded on _____ as Instrument No. _____. [The County has assigned its option to purchase the real property to _____.] An escrow for the purchase will be opened with the _____ Title Company.

COUNTY OF SAN MATEO

BY: _____

ITS: _____

**EXHIBIT D
BASE RESALE PRICE WORKSHEET**

Date: _____

Owner: _____

Address: _____

Purchase Price: _____

Date of Purchase: _____

Number of Years Owned: _____

.....

CALCULATION BASED ON INCREASE IN MEDIAN INCOME¹

Present Median Income: _____ Effective Date: _____

Original Median Income: _____ Effective Date: _____

Amount of Increase (Decrease): _____

Percentage Increase (Decrease): _____

Increase in Price: $\frac{\text{_____}}{\text{Original Price}} \times \text{\%} = \text{_____}$
Increase

The Base Resale Prices as of _____ Date is \$ _____ Price

By: _____

Title: _____

¹Based on Family of four, County of San Mateo at the date of sale (Present) and the date of acquisition (Original).