



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



DATE: August 16, 2010
BOARD MEETING DATE: August 24, 2010
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors (Sitting as the Board of Commissioners of the Housing Authority)

FROM: Duane Bay, Director, Department of Housing *DB*
William Lowell, Executive Director, Housing Authority *WLP*

SUBJECT: Exclusive Negotiations Agreement (ENA) with Mid-Peninsula Housing Coalition to redevelop Half Moon Village Senior Housing as part of the Half Moon Village Senior Campus Plan

RECOMMENDATION:

Adopt Resolution No. 2010-08 authorizing the Executive Director of the Housing Authority to execute an Agreement under which the Housing Authority of the County of San Mateo (HACSM) will enter into an Exclusive Negotiations Agreement with Mid-Peninsula Housing Coalition to enable pre-development activities to be accomplished and to negotiate a Development Agreement.

BACKGROUND:

On August 13, 2007, the Housing, Health and Human Services (HHH) Committee gave conceptual approval for the Department of Housing (DOH) to begin a systematic review of the HACSM's primary assets in order to assure maximum asset utilization. One of these assets is Half Moon Village (HMV), an affordable, 60-unit, senior apartment complex located in Half Moon Bay.

On September 9, 2008, DOH updated the HHH Committee of the considerable progress made by a stakeholder group convened by the DOH and the Health Department to create a master plan for the Half Moon Bay Senior Campus. The stakeholder group was composed of local non-profit community-based organizations, a locally-based foundation, the City of Half Moon Bay, the County of San Mateo, and HACSM. The overall vision for the campus includes affordable independent senior housing, affordable assisted living, health and community services, hospice, and community-serving "green" space. In April 2009, the Half Moon Bay Senior Campus Plan was published and copies of the Campus Plan were distributed to all Board members.

The campus area includes four contiguous parcels: Lesley Gardens, an existing 63-unit HUD-financed senior rental housing development owned by Lesley Senior Communities; an undeveloped city-owned parcel originally dedicated for park use; a parcel owned by

Senior Coastsiders and Coastside Adult Day Health Center, and Half Moon Village. Currently, there are three affordable housing communities in Half Moon Bay specifically designed for older adults. Two of them are located on the site of the proposed HMB Senior Campus – Lesley Gardens, opened in 2004, and HMB, which was built in 1964 and is in need of substantial renovation. Due to the desire to have a unified senior campus, HMB will be rebuilt in a way that integrates it into the overall campus plan.

DISCUSSION:

In February 2010, HACSM invited qualified not-for-profit housing developers to respond to a Request for Qualifications (RFQ) to develop, own and operate affordable senior rental housing on HACSM-owned land currently used by Half Moon Village and on the adjacent undeveloped parcel currently owned by the City of Half Moon Bay. The latter parcel is currently under negotiation to be transferred to the County or HACSM

Five housing developers responded to the RFQ. After a thorough review process, HACSM selected Mid-Peninsula Housing Coalition (Mid Pen) to develop, own and operate the senior housing development as part of the Half Moon Bay Senior Campus Plan. Mid Pen is a very experienced affordable housing developer and operator. It is a financially sound organization with a solid reputation for developing affordable housing with similar characteristics as those planned for the senior campus. It currently manages 22 senior properties and nine special needs properties comprising 36% of its total portfolio. In Half Moon Bay, Mid Pen also owns and operates Main Street Park I and II and Moonridge I and II.

One of the first phases of the development process is to enter into an Exclusive Negotiations Agreement (ENA) with Mid Pen to conduct pre-development activities and, if these activities are successfully completed, to prepare to enter into a development agreement for the project.

The transfer to the County of the undeveloped parcel currently belonging to the City of Half Moon Bay is also a milestone to be accomplished during the ENA period. The City enthusiastically supports the senior campus plan and is working cooperatively with the County to finalize arrangements for an exchange of the City's undeveloped site for parcels owned by the County within the City limits, on an equal-value basis.

County Counsel has reviewed and approved the Resolution and Agreement as to form.

Approval of this Resolution and Agreement contributes to the Shared Vision 2025 outcome of a Livable Community by enabling HACSM to expand its affordable housing to low income senior households. The department works to enable housing opportunities for people of all income levels and generations in San Mateo County.

FISCAL IMPACT:

There is no Net County Cost associated with this action. In a separate agreement, HACSM is entering into a loan agreement with Mid Pen for \$200,000 to cover costs associated with the fulfillment of the milestones outlined in the ENA. These funds are currently held by HACSM in a replacement reserve for HMB capital projects.

RESOLUTION NO. 2010-08

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, SITTING AS THE BOARD
OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN
MATEO, STATE OF CALIFORNIA**

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**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING
AUTHORITY TO EXECUTE AN AGREEMENT UNDER WHICH THE HOUSING
AUTHORITY OF THE COUNTY OF SAN MATEO (HACSM) WILL ENTER INTO AN
EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MID-PENINSULA HOUSING
COALITION TO ENABLE PRE-DEVELOPMENT ACTIVITIES TO BE
ACCOMPLISHED AND TO NEGOTIATE A DEVELOPMENT AGREEMENT**

RESOLVED, by the Board of Supervisors of the County of San Mateo, sitting as
the Board of Commissioners of the Housing Authority of the County of San Mateo
(HACSM), State of California, that

WHEREAS, in April 2009, the Half Moon Bay (HMB) Senior Campus Plan was
developed as a result of collaboration between local non-profit community-based
organizations, a locally-based foundation, the City of Half Moon Bay, the County of San
Mateo, and HACSM; and

WHEREAS, the HMB campus area includes four contiguous parcels: Lesley
Gardens, a 63-unit affordable senior rental housing development owned by Lesley
Senior Communities, an undeveloped city-owned parcel originally dedicated for park
use, a parcel owned by Senior Coastsiders and Coastside Adult Day Health Center, and
Half Moon Village, a 60-unit affordable senior rental housing owned by HACSM; and

WHEREAS, in February 2010, HACSM invited qualified not-for-profit housing
developers to submit a response to a Request for Qualifications to develop, own and
operate affordable senior rental housing on the HACSM-owned land currently used by
Half Moon Village and on an adjacent undeveloped parcel currently owned by the City

of Half Moon Bay (this parcel is currently under negotiation to be transferred to the County or HACSM); and

WHEREAS, after a thorough review process, HACSM selected Mid-Peninsula Housing Coalition to develop, own and operate the senior housing development as part of the HMB Senior Campus Plan. Mid-Peninsula Housing Coalition is a very experienced affordable housing developer and operator that is a financially sound organization with a solid reputation for developing affordable housing with similar characteristics as those planned for the HMB Senior Campus; and

WHEREAS, one of the first phases of this development process is to enter into an Exclusive Negotiations Agreement (ENA) with Mid-Peninsula Housing Coalition to conduct pre-development activities and, if these activities are successfully completed, to prepare to enter into a Development Agreement for the project; and

WHEREAS, there has been presented to the Board of Commissioners for its consideration and acceptance the ENA with Mid-Peninsula Housing Coalition, reference to which is hereby made for further particulars, and the Board of Commissioners has examined and approved the same as to form and content;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Commissioners of the Housing Authority of the County of San Mateo authorize the Executive Director of the Housing Authority to execute an Agreement under which HACSM will enter into an Exclusive Negotiations Agreement with Mid-Peninsula Housing Coalition to enable pre-development activities to be accomplished and to negotiate a Development Agreement.

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EXCLUSIVE NEGOTIATIONS AGREEMENT

THIS EXCLUSIVE NEGOTIATIONS AGREEMENT (this "Agreement") dated as of August 24, 2010, is between the Housing Authority of the County of San Mateo, a public body (the "Housing Authority") and Mid-Peninsula Housing Coalition, a California nonprofit public benefit corporation (the "Developer").

THIS AGREEMENT IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

1. The Housing Authority owns and operates Half Moon Village, a 60-unit affordable senior housing development located on approximately 4.86 acres on Bloom Lane in Half Moon Bay ("Property A"). A legal description of this property is included in Attachment A. On August 13, 2007 and on September 9, 2008, the Housing, Health and Human Services Committee of the County of San Mateo Board of Supervisors gave its consent to the Housing Authority (Department of Housing) to plan to reposition its housing assets, including the development of the best possible affordable senior housing replacement program for Half Moon Village.

2. The City of Half Moon Bay ("City") owns the approximate 48,117 s.f. property on Arnold Way ("Property B") contiguous to and south of Property A. A legal description of this property is included in Attachment B. The Housing Authority and the City of Half Moon Bay are negotiating a land exchange whereby ownership of Property B is anticipated to be transferred to the County of San Mateo ("County") in exchange for the County transferring various County-owned parcels to the City for recreation and/or parkland use ("Land Swap"). In turn, the County has indicated its intent to transfer Property B to the Housing Authority. Property A and Property B together constitute the site ("Site") for the proposed Half Moon Village Redevelopment Project, which will consist of approximately 160 units of housing for low and very low income seniors and which may be developed in 2 or more phases ("the Project").

3. The County, City, and local community organizations have collaborated in the development of the Half Moon Bay Senior Campus Plan dated April 3, 2009 ("Campus Plan"). The Campus Plan is a conceptual plan for a unique combination of senior-serving uses, including social, recreational, medical, and therapeutic services along with a range of living accommodations, offering a continuum of care in an integrated campus setting for older adults residing on the San Mateo County coast. The Site represents two of the four parcels which comprise the Campus Plan property. The Campus Plan is incorporated into this Agreement by reference.

4. On February 5, 2010, the Housing Authority issued a Request for Qualifications ("RFQ") to Develop and Operate Affordable Senior Rental Housing on County-Owned Land under a Ground Lease as part of the Half Moon Bay Senior Campus Plan and, more specifically, to develop and operate the Project. The RFQ is incorporated into this Agreement by reference. The RFQ sought high-quality proposals from experienced developers/operators of affordable, service-enriched housing for low- and very-low income seniors. The RFQ also set forth minimum developer qualifications, specific ranking criteria, and submittal requirements. The

Housing Authority established an evaluation panel to review the proposals and select the developer best suited to execute an exclusive negotiations agreement ("ENA").

5. Several development teams met the minimum qualifications defined in the RFQ. After a thorough review of the submittals, the evaluation panel determined that Mid-Peninsula Housing Coalition was best suited to enter into an ENA with the Housing Authority.

6. The Housing Authority Executive Director is authorized to negotiate an ENA with Mid-Peninsula Housing Coalition, subject to approval of its Board of Commissioners, to enable the Developer to pursue predevelopment activities for the construction and operation of the Project in accordance with the RFQ. The ENA will further define a series of milestones during an exclusive negotiations period ("Exclusive Negotiations Period") that will result in the execution of a ground lease development agreement ("GLDA") for the Site.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Housing Authority and the Developer agree as follows:

1. Exclusive Right.

For the Exclusive Negotiations Period set forth in Section 2 below and subject to the terms and conditions of this Agreement, the Housing Authority and the Developer, acknowledging that time is of the essence, agree to negotiate diligently and in good faith with each other to enter into the GLDA and any necessary financing agreements leading to the conveyance, development and management of the Site. During the Exclusive Negotiations Period, the Developer shall have the exclusive right to negotiate the GLDA with the Housing Authority (the "Exclusive Right"). The Housing Authority agrees not to solicit any other proposals or negotiate with any other developer with respect to the subject of the negotiations set forth herein.

The Developer acknowledges and agrees that under this Agreement the Housing Authority is not committing itself to undertake any exchange or transfer of real property, any disposition of any real property interests to the Developer, approve any land use entitlements or undertake any other acts or activities relating to the subsequent independent exercise of discretion by the Housing Authority or any agency or department of the County or the City. This Agreement does not constitute the disposition of property or exercise of control by the Housing Authority, County, or City over property.

2. Term.

(a) The term of the Agreement shall be for the duration of the Exclusive Negotiations Period authorized by the Housing Authority starting 30 days from the date of the Housing Authority Board of Commissioners authorization (the "Effective Date") and continuing for eight (8) months from the Effective Date, unless extended pursuant to Section 4 below or terminated pursuant to paragraph (b) below. This Agreement shall automatically terminate upon the expiration of the Exclusive Negotiations Period and neither party shall have any further rights or obligations except with respect to those matters that survive termination under Section 11.14.

(b) Exclusive Negotiations shall terminate upon the occurrence of any of the following events: (i) the Developer's failure to achieve the milestones in the Schedule of

Performance, unless modified by the Housing Authority in its sole discretion; (ii) the expiration of the Negotiations Period; (iii) Developer's breach of any of the terms of the ENA unless such breach is expressly waived by the Housing Authority in its sole discretion or cured pursuant to Section 8; (iv) Developer's failure to execute the ENA within 30 days of the Housing Authority's authorization of the ENA; (v) failure of the City to transfer Property B to the County during the term of the ENA; (vi) the Housing Authority's execution of a GLDA approved by the Housing Authority.

3. Predevelopment Costs/Housing Authority Financial Participation.

The Developer shall pay or cause to be paid all costs associated with applying for, obtaining and maintaining any necessary or appropriate entitlements, financing, and other requirements for the development of the Site. The Developer may apply to the Housing Authority and/or the County for a predevelopment loan for reimbursement of such costs as part of the financing of the Site. These costs may include architectural and engineering costs associated with completing master plan, schematic, design, and construction documents; environmental reports; appraisals and market studies; legal costs; financial consultants, preliminary relocation plans, planning and financing application fees and other approved expenses. If the Housing Authority provides such loan, the Housing Authority will endeavor to reimburse the Developer within thirty days' of Developer's reimbursement request for all Project-related expenses approved by the Housing Authority in its sole discretion. The Housing Authority acknowledges that Developer intends to apply for predevelopment financing of \$200,000 from the Housing Authority and \$300,000 from the County Department of Housing in year 1 of the predevelopment period and \$800,000 from the Housing Authority and/or the County Department of Housing in year 2. The terms of the loans will be determined pursuant to the specific loan agreements for this predevelopment financing.

4. Extension of Exclusive Negotiations Period.

The Housing Authority's Executive Director may extend the Exclusive Negotiations Period for up to six (6) months provided that Developer is not in default under this Agreement and is diligently carrying out its obligations hereunder; provided, however, in the event that Property B has not been transferred by the City to the County within the initial 6-month Exclusive Negotiations Period, the Housing Authority Executive Director will extend the Exclusive Negotiations Period for up to an additional six (6) months.

5. Obligations of the Developer.

5.1 Schedule of Performance.

The negotiations conducted under this Agreement shall be based on the development opportunity described in the RFQ and shall be in accordance with the Scope of Development attached as Attachment C and the Schedule of Performance attached as Attachment D hereto. The Developer is solely responsible for complying with the requirements of the Schedule of Performance subject to the obligations of the Housing Authority under Section 6. Specifically, the Developer shall be required to negotiate and submit the following within the timeframes specified in Attachment D for Housing Authority approval:

- (a) A budget for predevelopment funds not to exceed \$500,000 for year 1 predevelopment costs
- (b) A timeline for predevelopment activities
- (c) A community engagement plan
- (d) Selection of an architect and other design team members
- (e) Basic concept drawings and programming plan for the tenant mix
- (f) A preliminary financing plan
- (g) A preliminary relocation plan
- (h) A preliminary services plan
- (i) Schematic design drawings
- (j) A Ground Lease Development Agreement

5.2 Other Obligations of Developer.

The Developer shall comply with the requirements of all applicable City, County, and Housing Authority ordinances, resolutions, and regulations in the conduct of activities under this Agreement and all aspects (planning, design, construction, management and occupancy) of developing the Site.

At the request of the Housing Authority and at the Developer's sole expense, which funds may come from the predevelopment loan if provided by the Housing Authority, the Developer shall prepare (or cause expert consultants approved by the Housing Authority to prepare) and submit all reports, studies or other information reasonably necessary to obtain required development approvals.

The Developer shall commit sufficient financial and personnel resources required to undertake and complete the Project as a priority project and to fulfill the Developer's obligations under this Agreement in an expeditious fashion.

The Developer shall comply with the terms, conditions, and specifications of the Housing Authority as set forth in Attachment E hereto, including but not limited to requirements related to insurance, non-discrimination, equal benefits, retention of records, and confidentiality.

5.3 Indemnity.

The Developer shall indemnify the Housing Authority, and its officials, officers, agents and employees, governing board and governing board members, (individually or collectively, an "Indemnified Party") against any and all losses arising out of (a) any default by the Developer in the observance or performance of any of the Developer's obligations under this Agreement (including, without limitation, those obligations set forth in Section 5.2 above), (b) any failure of

any representation by the Developer to be correct in all respects when made, (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the Project or in connection with the Developer's activities on the Site or the Project, whether caused by the negligence or any other act or omission of the Developer and its officers, agents and employees, or by negligent, faulty, inadequate or defective design, construction or maintenance or any other condition or otherwise, (d) any claim of any surety in connection with any bond relating to construction of any improvements or offsite improvements, (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnified Party that relates to or arises out of this Agreement or the development of the Site, (f) any failure of the Developer or its agents or contractors to comply with all applicable environmental requirements relating to the development of the Site, (g) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency, whether meritorious or not, which directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (f) above, provided that no Indemnified Party shall be entitled to indemnification under this Section for matters caused solely by such Indemnified Party's gross negligence or willful misconduct. In the event any action or proceeding is brought against an Indemnified Party by reason of a claim arising out of any loss for which the Developer has indemnified the Indemnified Party, and upon written notice from such Indemnified Party, the Developer shall at its sole expense answer and otherwise defend such action or proceeding using counsel reasonably approved in writing by the Indemnified Party. The Indemnified Party shall have the right, exercised in its sole discretion and at its own costs, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnified Party in connection with the matters covered by this Agreement. The provisions of this paragraph shall survive the termination of this Agreement.

The Developer shall further indemnify the Indemnified Party against any release, spill or escape of Hazardous Materials (as defined below) on or about the Site caused by the Developer or its agents, contractors or representatives; except for losses resulting from the gross negligence or willful misconduct of any of the Indemnified Parties. For purposes hereof, "Hazardous Material" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 *et seq.*) or under Section 25281 or 25316 of the California Health & Safety Code; any "hazardous waste" as defined in Section 25117 or listed under Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Site, or are naturally occurring substances on, in or about the Site; and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids.

The indemnity shall include, without limitation, the Developer's obligation to pay reasonable attorney's fees and costs and fees of consultants and experts, laboratory costs, and related costs, as well as the Indemnified Party's costs of investigating any loss.

Notwithstanding anything to the contrary contained in this Section 5.3, the Developer shall not indemnify any Indemnified Party for any losses attributable to the Indemnified Party's gross negligence or willful misconduct.

6. Obligations of the Housing Authority.

Subject to the provisions of Section 8, the Housing Authority agrees as follows:

(a) Subject to environmental review as applicable, the public review process and all required governmental approvals, as further provided in this Agreement, the Housing Authority shall use good faith efforts to diligently negotiate, prepare and submit for approval the GLDA.

(b) The Housing Authority shall make available non-privileged studies and other documents in the Housing Authority's possession as necessary to perform the Developer's due diligence investigations of the Site, provided that the Housing Authority makes no representations or warranties whatsoever regarding the completeness or accuracy of such information and the Developer must perform its own independent analysis.

(c) The Housing Authority shall provide all available information to the Developer regarding the Campus Plan.

(d) The Housing Authority and the County shall make best efforts to complete the Land Swap for Property B such that the Housing Authority owns Property B;

(e) The Housing Authority shall reasonably cooperate with the Developer in obtaining and providing access to the Site for the purpose of performing tests, surveys and inspections, and obtaining data necessary or appropriate to negotiate the GLDA, provided, however, the Developer shall give prior written notice to the Housing Authority of any such entry and shall, if the Housing Authority, County, or the City so requires, obtain a permit to enter from the Housing Authority, County, and/or the City for such entry and comply with such insurance and indemnification requirements as the Housing Authority, the County, and/or the City may impose with respect to such inspections. In the case of invasive tests under any permit to enter granted by the Housing Authority, County, and/or City, the Housing Authority, County, and/or City may impose such insurance, indemnification, guaranty and other requirements as the Housing Authority, County, and/or City determines appropriate, in its sole discretion. The Housing Authority shall provide the Developer with the same rights of access to the Site that the Housing Authority may have from time to time during the Exclusive Negotiations Period, subject to all applicable laws and regulations.

(f) The Housing Authority shall reasonably cooperate with the Developer in the provision of information and assistance in the filing, processing and obtaining of land use entitlements and regulatory approvals, and, to the extent required by law, join with the Developer as a co-applicant in the filing for such approvals, but neither the Housing Authority nor the County shall be required to satisfy any conditions for any approval, except as may be specifically and expressly agreed to by the Housing Authority or the County, as applicable, in its respective sole and absolute discretion.

(g) In making any entry onto the Site, neither the Developer nor any of its agents, contractors or representatives shall interfere with or obstruct the permitted, lawful use of the Site by its tenants or occupants, or the conduct of their business operations thereon.

7. Non-Assignment.

7.1 Definitions.

For purposes of this Section and where such initially capitalized terms are elsewhere used in this Agreement, the following terms shall have the meaning given below:

“Affiliate” means any person that directly or indirectly Controls, is Controlled by or is under Common Control with, the Developer (or a managing or other member of the Developer, as the case may be).

“Control” means the ownership (direct or indirect) by one Person of (i) twenty-five percent (25%) or more (or if such Person is not publicly traded fifty percent (50%) or more) of each class of equity interests (including rights to acquire such interests), or (ii) twenty-five percent (25%) or more (or if such Person is not publicly traded fifty percent (50%) or more) of each class of interests that have a right to nominate, vote for or otherwise select the members of the board or other governing body that directs or causes the direction of substantially all of the management and policies of that Person.

“Controlled,” “Controlling Interest” and “Controlling” have correlative meanings.

“Common Control” means that two Persons are both Controlled by the same other Person.

“Person” means any individual, partnership, corporation (including, but not limited to, any business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or any other entity or association, the United States, or federal, state or political subdivision thereof.

“Significant Change” means any dissolution, merger, consolidation or other reorganization, or any issuance, sale, assignment, hypothecation or other transfer of legal or beneficial interests in the Developer.

7.2 Non-Assignment.

The Housing Authority and the Developer acknowledge and agree that the Housing Authority is entering into this Agreement and granting the Exclusive Right to the Developer on the basis of the particular experience, financial capacity, skills and capabilities of the Developer and its members. The Exclusive Right is personal to the Developer and is not assignable and no Significant Change may occur under any circumstance (whether by agreement or operation of law) without the prior written consent of the Housing Authority, which may be given, withheld or conditioned in the Housing Authority’s sole and absolute discretion. The Housing Authority acknowledges that the Developer intends to form a limited partnership to enter into the GLDA with the Housing Authority and own the improvements to be developed. Entry into a GLDA with a limited partnership in which the general partner is the Developer or Affiliate of the Developer is contemplated by the Developer and the Housing Authority and does not constitute an assignment prohibited by this Section.

8. Default and Remedies.

8.1 Events of Default by the Developer.

The occurrence of any of the following shall constitute an event of default on the part of the Developer after the Housing Authority gives notice of the default specifying in reasonable detail the basis for the determination of the default:

(a) Failure to pay any sums due under this Agreement within thirty (30) days after written notice by the Housing Authority.

(b) Failure to meet a performance milestone contained in the Schedule of Performance if such failure is not cured within thirty (30) days of the Housing Authority's issuance of a notice of default, provided, however, that if such default cannot be cured within thirty (30) days, it shall not be a default hereunder if the Developer begins to cure within such thirty (30) day period and diligently pursues such cure.

(c) Any material breach of any representation or warranty made by the Developer under Section 9 or any other provision of this Agreement.

(d) Any assignment, attempted assignment or Significant Change in violation of Section 7.2.

(e) Any filing of a petition to have the Developer adjudicated insolvent and unable to pay its debts as they mature or a petition for reorganization liquidation or arrangement under any bankruptcy or insolvency law, or any assignment for the benefit of creditors, or seeking appointment of a trustee, receiver, liquidator of the Developer or any substantial part of the Developer's assets, if such petition is not dismissed within sixty (60) days.

(f) The debarment or prohibition of the Developer from doing business with any federal, state or local governmental agency, or any debarment or prohibition of any Affiliate of the Developer from doing business with any federal, state or local governmental agency to the extent such debarment or prohibition of the Affiliate could affect the development of the Site as contemplated hereby.

(g) Failure to procure or maintain any of the insurance coverage required hereunder so that there is a lapse in required coverage.

(h) The occurrence of a Default under the terms of any of the Housing Authority agreements that is not cured during the applicable cure period.

8.2 Remedies of the Housing Authority.

(a) Remedies. In the event of a default by the Developer, and after the expiration of applicable cure periods, the Housing Authority may, at its sole option, terminate this Agreement and the Exclusive Right upon written notice to the Developer following any applicable cure period under this Agreement. This remedy is not exclusive, but shall be cumulative with any and all rights and remedies now or later provided under this Agreement or

by law or in equity. Upon any such termination, neither party shall have any further rights or obligations to the other under this Agreement except as provided herein.

(b) Plans, Specifications, Reports and Studies. If the Housing Authority terminates this Agreement, then subject to the proprietary rights of their authors and any confidentiality agreements and privileges recognized by applicable law, the Developer shall deliver to the Housing Authority copies of any and all reports, studies, document lists and plans regarding the redevelopment of the Site in the Developer's possession or prepared by or on behalf of the Developer (the Developer's "Work Product"). The Developer shall deliver its Work Product within ten (10) days after written demand from the Housing Authority, which obligation shall survive the termination of this Agreement. The Housing Authority may use the Work Product for any purpose relating to the Site, provided that the Housing Authority shall release the Developer and the Developer's contractor, architect, engineer and other consultants from any Losses arising out of the Housing Authority's use of such documents except to the extent that the Housing Authority retains any of them and they agree to such continued liability.

8.3 Termination and Developer's Risk.

(a) Termination. In the event of an impasse on material terms during the Exclusive Negotiations Period lasting more than thirty (30) days, either party may, at its sole option, terminate this Agreement upon written notice to the other party. In the event that the Housing Authority reasonably concludes that the Land Swap will not occur, it may, at its sole option, terminate this Agreement upon written notice to the Developer. Upon termination of this Agreement, whether because of impasse as set forth above or failure of the Land Swap, neither party shall have any further rights or obligations to the other under this Agreement except as provided herein.

(b) Developer's Risk. The Developer acknowledges and agrees that it is proceeding at its own risk and expense until such time as the GLDA and other Housing Authority agreements, including but not limited to the predevelopment loan agreements referred to in Section 3, are approved and without any assurance that such agreements will be approved.

9. Representations and Warranties of the Developer.

9.1 Representations and Warranties.

The Developer represents, warrants and covenants as follows:

(a) Valid Existence; Good Standing. The Developer is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California. The Developer has all requisite power and authority to own its property and conduct its business as presently conducted. The Developer has made all filings and is in good standing in the jurisdiction of the State of California.

(b) Authority. The Developer has all requisite power and authority to execute and deliver this Agreement and the agreements contemplated by this Agreement and to carry out and perform all of the terms and covenants of this Agreement.

(c) No Limitation on Ability to Perform. Neither the Developer's articles of incorporation or any other agreement or law in any way prohibits, limits or otherwise affects the right or power of the Developer to enter into and perform all of the terms and covenants of this Agreement. The Developer is not a party to or bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument, which could prohibit, limit or otherwise affect the same. No consent, authorization or approval of, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person or entity is required for the due execution, delivery and performance by the Developer of this Agreement or any of the terms and covenants contained in this Agreement. There are no pending or threatened suits or proceedings or undischarged judgments affecting the Developer before any court, governmental agency, or arbitrator which might materially adversely affect the enforceability of this Agreement, the ability of the Developer to perform the transactions contemplated by this Agreement or the business, operations, assets or condition of the Developer.

(d) Valid Execution. The execution and delivery of this Agreement and the agreements contemplated hereby by the Developer have been or will be duly and validly authorized by all necessary action. This Agreement will be a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms. The Developer has provided to the Housing Authority a written resolution of the Developer authorizing the execution of this Agreement.

(e) Defaults. The execution, delivery and performance of this Agreement do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under (A) any agreement, document or instrument to which the Developer may be bound or affected, (B) any law, statute, ordinance, regulation, or (C) the articles of incorporation of the Developer.

(f) Meeting Financial Obligations; Material Adverse Change. The Developer is meeting its current liabilities as they mature; no federal or state tax liens have been filed against it; and the Developer is not in default or claimed default under any agreement for borrowed money. The Developer shall immediately notify the Housing Authority of any material adverse change in the financial condition of the Developer and such material adverse change shall constitute a default under this Agreement, subject to the cure and remedy provisions of Section 8.

(g) Conflicts of Interest. The Developer is familiar with (i) Section 87100 et seq. of the California Government Code, which provides that no member, official or employee of the Housing Authority, may have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to this Agreement which affects her or his personal interest or the interests of any corporation, partnership or association in which she or he is interested directly or indirectly and (ii) the Housing Authority's Personnel Policy, which prohibits former Housing Authority employees and consultants from working on behalf of another party on a matter in which they have participated personally and substantially unless the Housing Authority consents to such scope of work. As to the provisions referred to in clause (i), the Developer does not know of any facts that constitute a violation of such provisions. As to the policy in clause (ii), the Developer has disclosed to the Housing Authority in writing any and all personnel or consultants covered by such policy as of

the date of this Agreement, and concurrently herewith the Housing Authority has elected to waive or not to waive the conflict as to such specific personnel or consultants.

(h) Skill and Capacity. The Developer has the skill, resources and financial capacity to acquire, manage and fully redevelop the Site consistent with the development opportunity described in the RFQ.

(i) Not Prohibited from Doing Business. Neither the Developer (nor any Affiliates of any of the foregoing) has been debarred or otherwise prohibited from doing business with any local, state or federal governmental agency.

(j) No Claims. The Developer does not have any claim, and shall not make any claim, against the Housing Authority and the County, or either of them, or against the Site, or any present or future interest of the Housing Authority or the County therein, directly or indirectly, by reason of: any aspect of the RFQ or the developer selection process; the entry into this Agreement or the termination of this Agreement pursuant to the terms hereof; any statements, representations, acts or omissions made by the Housing Authority, County, or any of their respective officers, commissioners, employees or agents with regard to the Site or any aspect of the negotiations under this Agreement; and the Housing Authority's exercise of reasonable discretion, decision and judgment set forth in this Agreement.

9.2 Continued Accuracy.

If at any time during the Exclusive Negotiations Period any event or circumstance occurs that would render inaccurate or misleading any of the foregoing representations or warranties, the Developer shall immediately notify the Housing Authority thereof. It will be an Event of Default if the Developer does not cure such inaccuracy within ten (10) days from the date on which the Developer was obligated to notify the Housing Authority and the Housing Authority shall have the rights and remedies provided in this Agreement, at equity and in law.

10. Notices.

A notice or communication under this Agreement by either party to the other shall be sufficiently given or delivered if dispatched by hand or by registered or certified mail, postage prepaid, addressed as follows:

- (i) In the case of a notice or communication to the Housing Authority:

Housing Authority of the County of San Mateo
264 Harbor Boulevard, Bldg. A
Belmont, CA 94002
Attn: Executive Director
Reference: Half Moon Bay Redevelopment Project
Telefacsimile: 650-802-3373
Telephone: 650- 802-5024

With a copy to:
Aimee Armsby, Esq.
400 County Center, 6th Floor
Redwood City, CA 94063

- (ii) And in the case of a notice or communication sent to the Developer:

Mid-Peninsula Housing Coalition
Attn: Vice President of Real Estate Development
303 Vintage Park Drive, Suite 250
Foster City, CA 94404
Telefacsimile: (650) 357-9766
Telephone: (650) 356-2900

With a copy to:

Gubb & Barshay
Attn: Natalie Gubb
50 California Street, Suite 3155
San Francisco, CA 94111
Telefacsimile: (415) 781-6967
Telephone: (415) 781-6600

For the convenience of the parties, copies of notice may also be given by telefacsimile.

Every notice given to a party hereto, pursuant to the terms of this Agreement, must state (or must be accompanied by a cover letter that states) substantially the following:

- (a) the Section of this Agreement pursuant to which the notice is given and the action or response required, if any;
- (b) if applicable, the period of time within which the recipient of the notice must respond thereto;
- (c) if approval is being requested, shall be clearly marked "Request for Approval under the Half Moon Bay Redevelopment Project Exclusive Negotiations Agreement"; and
- (d) if a notice of a disapproval or an objection that requires reasonableness, shall specify with particularity the reasons therefore.

Any mailing address or telefacsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

11. General Provisions.

11.1 Amendments.

This Agreement may be amended or modified only by a written instrument executed by the Housing Authority, subject to approval, as applicable, of its Board of Commissioners, and the Developer

11.2 Severability.

If any provision of this Agreement, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement. Without limiting the foregoing, in the event that any applicable federal or state law prevents or precludes compliance with any material term of this Agreement, the parties shall promptly modify, amend or suspend this Agreement, or any portion of this Agreement, to the extent necessary to comply with such provisions in a manner which preserves to the greatest extent possible the benefits to each of the parties to this Agreement before such conflict with federal or state law. However, if such amendment, modification or suspension would deprive the Housing Authority or the Developer of the substantial benefits derived from this Agreement or make performance unreasonably difficult or expensive, then the affected party may terminate this Agreement upon written notice to the other party. In the event of such termination, neither party shall have any further rights or obligations under this Agreement except as otherwise provided herein.

11.3 Non-Waiver.

No waiver made by either party with respect to the performance, or manner or time of performance, or any obligation of the other party or any condition to its own obligation under this Agreement will be considered a waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived to the extent of such waiver, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

11.4 Non-Liability.

No member, official, agent or employee of the Housing Authority or the County will be personally liable to the Developer, or any successor in interest (if and to the extent permitted under this Agreement), in an event of default by the Housing Authority or for any amount that may become due to the Developer or successor or on any obligations under the terms of this Agreement. No director, officer, agent or employee of the Developer will be personally liable to the Housing Authority in an event of default by the Developer or for any amount that may become due to the Housing Authority or for any obligations under the terms of this Agreement.

11.5 Successors and Assigns; Third Party Beneficiary.

This Agreement shall inure to the benefit of and bind the respective successors and assigns of the Housing Authority and the Developer, subject to the limitations on assignment by the Developer set forth in Section 7 above. The County is an intended third party beneficiary of this Agreement, provided that no approval of the County shall be required to amend this Agreement. Except as provided above with respect to the County, this Agreement is for the exclusive benefit of the parties hereto and not for the benefit of any other person and shall not be deemed to have conferred any rights, express or implied, upon any other person.

11.6 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California. As part of the consideration for the Housing Authority's entering into this Agreement, the Developer agrees that all actions or proceedings arising directly or indirectly under this Agreement may, at the sole option of the Housing Authority, be litigated in courts located within the County of San Mateo, State of California, and the Developer expressly consents to the jurisdiction of any such local, state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon the Developer wherever the Developer may then be located, or by certified or registered mail directed to the Developer at the address set forth in this Agreement.

11.7 Attorneys' Fees and Costs.

The parties agree that each party shall bear its own attorneys' fees and costs incurred in connection with any dispute arising in connection with this Agreement, including but not limited to any failure to perform any of their respective obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement.

11.8 Interpretation of Agreement.

(a) Attachments. Whenever an "Attachment" is referenced, it means an attachment to this Agreement unless otherwise specifically identified. All such Attachments are incorporated herein by reference.

(b) Captions. Whenever a section, article or paragraph is referenced, it refers to this Agreement unless otherwise specifically identified. The captions preceding the articles and sections of this Agreement have been inserted for convenience of reference only. Such captions shall not define or limit the scope or intent of any provision of this Agreement.

(c) Words of Inclusion. The use of the term "including," "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(d) References. Wherever reference is made to any provision, term or matter "in this Agreement," "herein" or "hereof" or words of similar import, the reference shall be deemed to refer to any and all provisions of this Agreement reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered, section or paragraph of this Agreement or any specific subdivision thereof.

(e) Recitals. In the event of any conflict or inconsistency between the recitals and any of the remaining provisions of this Agreement, the remaining provisions of this Agreement shall prevail.

(f) No Presumption Against Drafter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

11.9 Entire Agreement.

This Agreement, including the Attachments, contains all the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by either party or any other person and no court or other body shall consider those drafts in interpreting this Agreement.

11.10 Time for Performance.

(a) Expiration. All performance dates, including cure dates, expire at 5:00 p.m., Pacific Standard Time, on the performance or cure date.

(b) Weekends and Holidays. A performance date that falls on a Saturday, Sunday, or City holiday is deemed extended to the next working day.

(c) Days for Performance. All periods for performance specified in this Agreement in terms of days shall be calendar days, and not business days, unless otherwise expressly provided in this Agreement.

(d) Time of the Essence. Time is of the essence with respect to each provision of this Agreement, including, without limitation, each milestone set forth in the attached Schedule of Performance.

11.11 Counterparts.

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

11.12 Approvals and Consents.

Unless this Agreement otherwise expressly provides, all approvals, consents or determinations to be made by or on behalf of (i) the Housing Authority under this Agreement shall be made by the Housing Authority's Executive Director or his/her designee and (ii) the Developer under this Agreement shall be made by Jan Lindenthal (the "Developer Representative") or such other employee or agent of the Developer as the Developer may designate to act as the Developer Representative for a particular matter. Unless otherwise herein provided, whenever approval, consent or satisfaction is required of a party pursuant to this Agreement, it shall not be unreasonably withheld or delayed. The reasons for disapproval shall be stated in reasonable detail in writing. Approval by the Developer or the Housing Authority to or of any act or request by the other shall not be deemed to waive or render unnecessary approval to or of any similar or subsequent acts or requests.

11.13 Real Estate Commissions.

The Developer and the Housing Authority each represents to the other that it engaged no broker, agent or finder in connection with this Agreement or the transactions contemplated hereby. In the event any broker, agent or finder makes a claim, the party through whom such claim is made agrees to indemnify the other party from any Losses arising out of such claim.

11.14 Survival.

Notwithstanding anything to the contrary in this Agreement, any indemnity or other obligation that arises and was not satisfied before termination shall survive any termination of this Agreement, except to the extent otherwise provided herein. In the event of any termination of this Agreement, the Developer shall furnish copies of plans, specifications, studies and reports to the Housing Authority as provided in Section 8.2(b).

11.15 Relationship of the Parties.

The subject of this Agreement is a private development with neither party acting as the agent of the other party in any respect. None of the provisions in this Agreement shall be deemed to render the Housing Authority a partner in the Developer's business, or joint venturer or member in any joint enterprise with the Developer.

11.16 Cooperation.


In connection with this Agreement, the Developer and the Housing Authority shall reasonably cooperate with one another to achieve the objectives and purposes of this Agreement. In so doing, the Developer and the Housing Authority shall each refrain from doing anything that would render its performance under this Agreement impossible and each shall do everything that this Agreement contemplates that the Party shall do to accomplish the objectives and purposes of this Agreement.

IN WITNESS WHEREOF, the Housing Authority and the Developer have duly executed and delivered this Agreement as of the date first written above.

HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO

By _____
Print name _____
Its _____

MID-PENINSULA HOUSING COALITION,
A California non-profit public benefit corporation

By 
Print name Matthew O. Franklin
Its President

EXCLUSIVE NEGOTIATIONS AGREEMENT

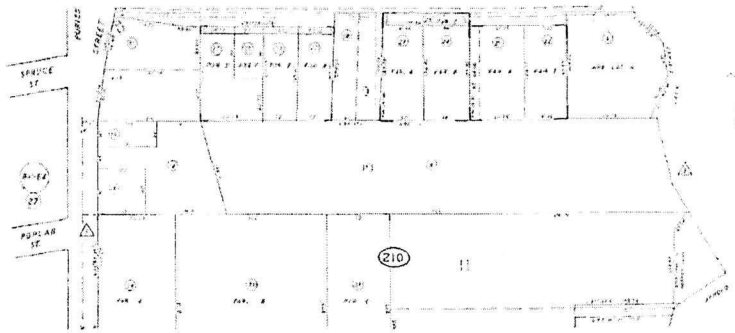
LIST OF ATTACHMENTS

ATTACHMENT A	Legal Description of Property A
ATTACHMENT B	Legal Description of Property B
ATTACHMENT C	Scope of Development
ATTACHMENT D	Schedule of Performance
ATTACHMENT E	Housing Authority Requirements

ATTACHMENT A

Legal Description of Property A

**Attachment A
Legal Description of Property A**



That real property situated in the City of Half Moon Bay, County of San Mateo, State of California, more particularly described as follows:

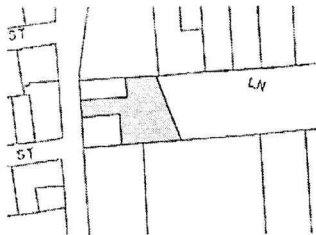
Lot 10 as shown on that certain map entitled "Spanishtown South" filed in the office of the County Recorder of San Mateo County on December 19, 1890 in Book "A" of Maps at page 1 and copied into Book 1 of Maps at page 61.

EXCEPTING THEREFROM the following described parcel:

BEGINNING at a point on the Northeasterly line of Main Street, in the Town of Half Moon Bay at the most Southerly corner of Lot 10 as shown on the map hereinabove referred to; running thence Northwesterly and along said Northeasterly line of Main Street, 90 feet; thence at right angles Northeasterly and parallel to the Southeasterly boundary line of said Lot 10, 100 feet; thence at right angles Southeasterly and parallel to said Northeasterly line of Main Street, 90 feet; thence at right angles Southwesterly 100 feet along said Southeasterly boundary of Lot 10 to the point of beginning.

ALSO EXCEPTING THEREFROM the following described parcels BEGINNING at a point on the Northeasterly line of Main Street, in the Town of Half Moon Bay at the Northwesterly corner of Lot 10 as shown on the map hereinabove referred to, running thence Southwesterly and along the Northeasterly line of Main Street, 50 feet; thence at right angles Northeasterly and parallel to the Northwesterly boundary line of Lot 10, 125 feet; thence at right angles Northwesterly and parallel to the Northeasterly line of Main Street, 50 feet; thence at right angles Southwesterly 125 feet along said Northwesterly boundary of Lot 10 to the point of the beginning.

APN 056-210-140: 0.56 AC MOL HAVING A FRONTAGE OF 45 FT ON MAIN ST PTN OF LOT 10 PER ASSESSORS MAP OF SPANISHTOWN SOUTH



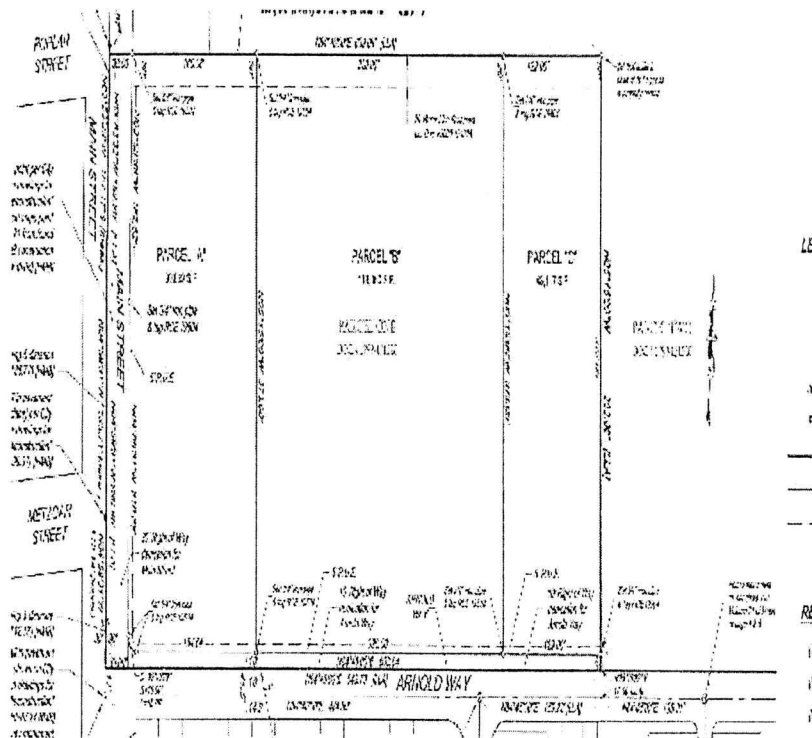
APN 056-210-060: 4.30 ACS MOL ELT PTN OF LOT 10 PER ASSESSORS MAP OF SPANISHTOWN SOUTH



ATTACHMENT B

Legal Description of Property B

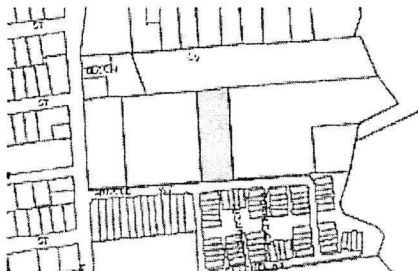
Attachment B
Legal Description of Property B



That real property situated in the City of Half Moon Bay, County of San Mateo, State of California, described as follows:

PARCEL C as delineated upon that certain map entitled "PARCEL MAP, BEING A SUBDIVISION OF PARCEL ONE AS DESCRIBED IN THAT LOT LINE ADJUSTMENT RECORDED UNDER SERIAL NUMBER 199-131220, AUGUST 2, 1999, IN THE OFFICE OF THE COUNTY RECORDER, SAN MATEO COUNTY, STATE OF CALIFORNIA, CITY OF HALF MOON BAY CALIFORNIA", filed for record in the Office of the Recorder of the County of San Mateo, State of California in Book 73 of Parcel Maps, at pages 68-69 ("PROPERTY").

APN 056-210-360: 48,117 SQ FT PARCEL C PARCEL MAP VOL 73/68-69



ATTACHMENT C

Scope of Development

A. Residential Development

The Project as envisioned will involve: (a) redevelopment of the aging five-acre Half Moon Village complex, replacing the existing 60 bungalow-type units with a new construction development of approximately 130 senior units, for a net increase of approximately 70 units; and b) development of approximately 30 units of senior housing on the approximately 1-acre parcel adjacent to Half Moon Village, currently owned by the city of Half Moon Bay and originally dedicated for park and recreation use. It is anticipated that this city-owned land will be transferred to County ownership. Both parcels are currently zoned for multifamily housing that would allow development as envisioned in the conceptual Campus Plan.

Development of the Project is expected to be a multi-year undertaking that may include phasing of development on these two parcels. The preliminary concept for physical development and programming of the Site and surrounding parcels is described on pages 15-24 in the Campus Plan. It is anticipated that the Site will accommodate a range of building types that may include a combination of elevator-served apartments as well as cottage-type units accessed directly from outdoor courtyards.

The County Department of Housing places a high priority on providing extremely low-income units and supportive housing units, where feasible, in new construction housing developments receiving County CDBG and HOME housing development funds. It is expected that the Project will include a significant number of ELI units as well as a percentage of supportive housing units, to be negotiated prior to signing of the Ground Lease Development Agreement.

B. Relocation of Half Moon Village Residents

The Project will involve relocation of Half Moon Village residents at some point in the development process. Depending on phasing considerations, it may be possible build some new units on the Site before demolishing all of the existing Half Moon Village buildings.

C. Services Component

It is expected that the Project will include a services coordination component tailored to the senior population that can be anticipated to live at the property, from more active seniors to more frail seniors, and from diverse cultural and/or ethnic backgrounds. In addition, any supportive housing units in the Project will also require appropriate on-site supportive services. As the Project is part of an integrated senior campus including health and community services, it is expected that many supports and services will be available and can be accessed in a collaborative fashion.

Attachment D
Schedule of Performance

ATTACHMENT D
Schedule of Performance

No.	Task	Deadline
1	<p>Submit a budget for predevelopment funds not to exceed \$500,000 for year 1 predevelopment costs acceptable to the County Housing Authority ("County"). The predevelopment budget shall describe costs of predevelopment activities scheduled for completion during the Exclusive Negotiations Period and the funding source(s) to be used by the Developer, including any County funds. After County approval of the predevelopment budget, Developer will submit draws to the County for reimbursement of predevelopment costs on a monthly schedule to be mutually agreed upon.</p>	Within 10 days of execution of ENA
2	<p>Submit an overall timeline for predevelopment activities through the start of construction acceptable to the County. This timeline shall list predevelopment activity milestones and the dates by which the activities are expected to be completed.</p>	Within 10 days of execution of ENA
3	<p>Submit a community engagement plan acceptable to the County. The community engagement plan shall outline planned outreach, involvement, and collaboration with other stakeholders involved with the Senior Campus Plan, current residents of the Site, the neighborhood, and the wider community and shall consider the overall timeframe from inception through completion of the Exclusive Negotiations Period.</p>	Within 10 days of execution of ENA
4	<p>Engage Master Plan Architect to undertake revisions/refinements to the Campus Master Plan for the project.</p>	Within 10 days of execution of the ENA
5	<p>Select an architect and other design team members acceptable to the County. The Developer shall select an architect and other design team members through a County-approved process.</p>	Within 60 days following execution of the ENA
6	<p>Submit basic concept drawings and programming plan for the tenant mix. The submission shall address the concept and goals outlined in the RFQ and the Senior Campus Plan as well as any requirements of the City of Half Moon Bay and the County. The programming plan for the tenant mix shall address the target population or populations intended to be served at the development, including any supportive housing units. If phasing of development on the site is planned, indicate how such phasing is to be implemented.</p>	Within 120 days following execution of the ENA

ATTACHMENT D
Schedule of Performance

7	<p>Submit a preliminary financing plan.</p> <p>Such plan shall include detail on all projected sources and uses of financing in sufficient detail to apply for low income housing tax credits and related sources. If phasing of development on the site is planned, indicate how such phasing is to be implemented in terms of financing.</p>	Within 120 days following execution of the ENA
8	<p>Submit a preliminary relocation plan.</p> <p>Such plan shall address relocation requirements and steps and include a preliminary timeline for relocation activities.</p>	Within 120 days following execution of the ENA
9	<p>Submit a preliminary services plan.</p> <p>The services plan shall include, in addition to the items typically included in Developer's services plans for comparable senior projects, services specifically targeted to frail seniors. The services plan shall also describe how coordination will be handled with other services in the vicinity (e.g the adult day health center and senior community center) or with other service providers that can meet the special needs of this population.</p>	Within 120 days following execution of the ENA
10	<p>Submit schematic design drawings. The submission shall address the concept and goals outlined in the RFQ and the Senior Campus Plan as well as any requirements of the City of Half Moon Bay and the County.</p>	Within 180 days following execution of the ENA.
11	<p>Execute a Ground Lease Development Agreement with the County.</p>	Within 270 days following execution of the ENA

Attachment E

Housing Authority Requirements

1. Availability of Funds

The Housing Authority may terminate this Agreement or a portion of the activities referenced in the Attachments and Exhibits based upon unavailability of Federal, State, County, or Housing Authority funds, by providing written notice to Developer as soon as is reasonably possible after the Housing Authority learns of said unavailability of outside funding.

2. Relationship of Parties

Developer agrees and understands that the activities performed under this Agreement are performed as an independent Contractor and not as an employee of the Housing Authority and that Developer acquires none of the rights, privileges, powers, or advantages of Housing Authority employees.

3. Insurance

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

- a) **Worker's Compensation and Employer's Liability Insurance** The Developer shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Developer certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and will comply with such provisions before commencing the performance of the work of this Agreement.

- b) **Liability Insurance** The Developer 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 contractors 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:

i. Comprehensive General Liability	\$1,000,000
ii. Motor Vehicle Liability Insurance	\$1,000,000
iii. Professional Liability	\$1,000,000

Housing Authority and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the Housing Authority, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the Housing Authority or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

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, the Housing Authority 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.

4. **Non-Discrimination and Other Requirements**

- A. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.
- B. *Equal employment opportunity.* Developer shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Developer's equal employment policies shall be made available to the Housing Authority upon request.
- C. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject

the Developer to penalties, to be determined by the Housing Authority, including but not limited to

- i. termination of this Agreement;
- ii. disqualification of the Developer from bidding on or being awarded a Housing Authority or Department of Housing contract for a period of up to three (3) years;
- iii. liquidated damages of \$2,500 per violation;
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the Housing Authority.

To effectuate the provisions of this section, the Housing Authority shall have the authority to examine Developer's employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Developer under the Contract or any other Contract between Developer and Housing Authority.

Developer shall report to the Housing Authority 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 Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Developer 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 circumstance. Developer shall provide Housing Authority with a copy of their response to the Complaint when filed.

D. Compliance with Equal Benefits Ordinance. With respect to the provision of employee benefits, Developer shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

The Developer shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

5. Compliance with Contractor Employee Jury Service Ordinance

Developer shall comply with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees shall receive from the Developer, on an annual basis, no less than five days of regular pay for actual jury service in San Mateo County. The policy may provide that employees' deposit any fees received for such jury service with the Developer or that the Developer deduct from the employees' regular pay the fees received for jury service.

ACORD™ CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YY)
8/13/2010

PRODUCER

IMA of Colorado, Inc.
1550 17th Street, Suite 600
Denver, CO 80202
303 534-4567

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 THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED

Mid-Peninsula Housing Coalition
303 Vintage Park Dr, Suite 250
Foster City, CA 94404

INSURER A: **Lexington Insurance Company**

INSURER B:

INSURER C:

INSURER D:

INSURER E:

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	83964732010M	01/01/10	01/01/11	EACH OCCURRENCE \$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire) \$1,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$5,000
					PERSONAL & ADV INJURY \$1,000,000
					GENERAL AGGREGATE \$2,000,000
					PRODUCTS - COMP/OP AGG \$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				
A	AUTOMOBILE LIABILITY	83964732010M	01/01/10	01/01/11	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS				
	<input checked="" type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
					\$
	<input type="checkbox"/> DEDUCTIBLE				\$
	RETENTION \$				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/>
					E.L. EACH ACCIDENT \$
					E.L. DISEASE - EA EMPLOYEE \$
					E.L. DISEASE - POLICY LIMIT \$
A	OTHER Buildings Personal Property Bldg Ordinance &	83964742010M Bus Income/Rents Boiler/Machinery	01/01/10	01/01/11	SPC/Agreed Value/RC \$100,000,000 Loss Limit \$5,000 Deductible

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

DRAFT

RE: Half Moon Bay Senior Campus Project.

HACSM and its officers, agents, employees and servants are included as Additional Insured on the General Liability Policy if required by written contract or agreement subject to the policy terms and conditions.

(See Attached Descriptions)

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER:

CANCELLATION

Housing Authority of the County of San Mateo
264 Harbor Blvd., Bldg A
Belmont, CA 94002-4017

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

AUTHORIZED REPRESENTATIVE

LPM

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTIONS (Continued from Page 1)

This Insurance is Primary and Non-Contributory on the General Liability Policy subject to the policy terms and conditions.

ACORDTM CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

08/12/2010

PRODUCER

Woodruff-Sawyer & Co.
220 Bush St., 7th Floor
San Francisco CA 94104
(415) 391-2141

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 THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Mid Peninsula Housing Coalition
303 Vintage Park Drive, Ste 250
Foster City, CA 94404

INSURERS AFFORDING COVERAGE**NAIC #**

INSURER A: Everest National Insurance Company 10120

INSURER B: Hartford Underwriters Insurance Company 30104

INSURER C:

INSURER D:

INSURER E:

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
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	57UECIZ1049	10/01/2009	10/01/2010	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	7700000046091	10/01/2009	10/01/2010	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	OTHER				\$ \$ \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

RE: Half Moon Bay Senior Campus Project

CERTIFICATE HOLDER

The Housing Authority of the County of San Mateo
264 Harbor Blvd., Bldg A
Belmont, CA 94002-4017

LOAN #:

CANCELLATION 10 Day Notice for Non-Payment of Premium

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

AUTHORIZED REPRESENTATIVE

Marika Vaeto v (01)

IMPORTANT

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If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

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