

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Contra Costa County  
Department of Conservation and Development  
30 Muir Road  
Martinez, CA 94553  
Attn: Affordable Housing Program Manager

No fee for recording pursuant to  
Government Code Section 27383

---

REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS  
(Robin Lane NSP3 Funds)

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is dated January \_\_, 2012 and is between the County of Contra Costa, a political subdivision of the State of California (the "County"), and Robin Lane LLC, a California limited liability company ("Borrower").

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. The County has received Neighborhood Stabilization Program 3 funds ("NSP3 Funds") from the United States Department of Housing and Urban Development ("HUD") under Section 1497 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "NSP3 Act"), which amends Title III of Division B of the Housing and Economic Recovery Act of 2008 ("HERA"). The NSP3 Funds must be used by the County in accordance with 75 F.R. 64322 (Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants) (the "NSP3 Regulations"). Together, the NSP3 Act and the NSP3 Regulations are the "NSP3 Requirements."

C. Except as otherwise prescribed by the NSP3 Requirements, the statutory and regulatory provisions that govern the Community Development Block Grant ("CDBG") program under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), as amended (including those at 24 CFR part 570 subparts A, C, D, J, K, and O, as appropriate), (the "CDBG Regulations"), apply with equal force to the NSP3 Funds. The County has adopted the Home Investment Partnerships Act ("HOME") program standards at 24 C.F.R. Part 92 (the "HOME Regulations") to define the affordable rents, continued affordability standards, and enforceability mechanisms governing the use of the NSP3 Funds.

D. Borrower intends to acquire the real property commonly known as 1149 Meadow Lane and 1890 Robin Lane, located in the City of Concord, County of Contra Costa, State of California, and more particularly described in Exhibit A (the "Property"). The purchase price of the Property is One Million Thirty-Five Thousand Dollars (\$1,035,000). According to an appraisal dated November 2, 2011, which was prepared for the Borrower by Thomas E. Dum Real Estate Appraisers, Inc., the Property was valued at One Million Fifty Thousand Dollars (\$1,050,000) as of October 25, 2011. The Property was previously foreclosed upon and transferred to Great Western Bank by a Trustee's Deed Upon Sale that was recorded on January 31, 2011.

E. The Property is the site of two vacant apartment buildings that contain a total of sixteen (16) apartments. The buildings and all other improvements to the Property, including all landscaping, roads, and parking spaces, are referred to herein as the "Improvements," or as the "Development." Borrower intends to rehabilitate the Development and rent fifteen (15) of the apartments to very low income families, reserving one unit as a manager's unit.

F. Pursuant to a loan agreement of even date herewith between the County and Borrower (the "Loan Agreement"), the County is lending to Borrower One Million Five Hundred Twenty Three Thousand Forty Six Dollars (\$1,523,046) in NSP3 Funds (the "Loan") to finance the acquisition and rehabilitation of the Development.

G. The County has the authority to lend the Loan to Borrower pursuant to Government Code Section 26227, which authorizes counties to spend county funds for programs that will further a county's public purposes. In addition, the County has the authority to loan the NSP3 Funds pursuant to Section 2301(c)(3)(B) of HERA, and 24 C.F.R. 570.202 of the CDBG Regulations.

H. The County has agreed to make the Loan on the condition that the Borrower maintain and operate the Development in accordance with restrictions set forth in this Agreement and in the related documents evidencing the Loan.

In consideration of receipt of the Loan at an interest rate substantially below the market rate, Borrower agrees to observe all the terms and conditions set forth below.

## AGREEMENT

### ARTICLE 1 DEFINITIONS

#### 1.1 Definitions.

The following terms have the following meanings:

(a) "Actual Household Size" means the actual number of persons in the applicable household.

(b) "Adjusted Income" means the total anticipated annual income of all persons in the Tenant household as calculated pursuant to 24 C.F.R. 92.203(b)(1).

(c) "Agreement" has the meaning set forth in the first paragraph of this Agreement.

(d) "Assumed Household Size" means the household size "adjusted for family size appropriate to the unit" as such term is defined in Health & Safety Code Section 50052.5(h).

(e) "CDBG" has the meaning set forth in Paragraph C of the Recitals.

(f) "CDBG Regulations" has the meaning set forth in Paragraph C of the Recitals.

(g) "City" means the City of Concord, a municipal corporation.

(h) "County-Assisted Units" means the fifteen (15) Units within the Development designated as assisted by the County pursuant to this Agreement.

(i) "Deed of Trust" means the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing of even date herewith by and among Borrower, as trustor, Old Republic Title Company, as trustee, and the County, as beneficiary, that will encumber the Property to secure repayment of the Loan and Borrower's performance of the covenants set forth in the documents evidencing the Loan.

(j) "Development" has the meaning set forth in Paragraph E of the Recitals.

(k) "HERA" has the meaning set forth in Paragraph B of the Recitals.

(l) "HOME" has the meaning set forth in Paragraph C of the Recitals.

(m) "HOME Regulations" has the meaning set forth in Paragraph C of the Recitals.

(n) "HOME Term" means the period beginning on the date of this Agreement and ending on the twentieth (20<sup>th</sup>) anniversary of the date of this Agreement.

(o) "HUD" has the meaning set forth in Paragraph B of the Recitals.

(p) "Loan" has the meaning set forth in Paragraph F of the Recitals.

(q) "Loan Agreement" has the meaning set forth in Paragraph F of the Recitals.

(r) "Loan Documents" means this Agreement, the Note, the Deed of Trust, and the Loan Agreement.

(s) "Low HOME Rent" means a monthly Rent amount not exceeding the maximum rent published by HUD for a Very Low Income Household for the applicable bedroom size as set forth in 24 C.F.R. 92.252(b).

(t) "Low Income Household" means a Tenant household with an Adjusted Income that does not exceed eighty percent (80%) of Median Income, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent (80%) of Median Income on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes, as such definition may be amended pursuant to 24 C.F.R. Section 92.2.

(u) "Median Income" means the median gross yearly income, adjusted for Actual Household Size as specified herein, in the County of Contra Costa, California, as published from time to time by HUD. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the County shall provide Borrower with other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD.

(v) "Note" means the promissory note of even date herewith that evidences Borrower's obligation to repay the Loan.

(w) "NSP3 Act" has the meaning set forth in Paragraph B of the Recitals.

(x) "NSP3 Funds" has the meaning set forth in Paragraph B of the Recitals.

(y) "NSP3 Regulations" has the meaning set forth in Paragraph B of the Recitals.

(z) "NSP3 Requirements" has the meaning set forth in Paragraph B of the Recitals.

(aa) "Property" has the meaning set forth in Paragraph D of the Recitals.

(bb) "Rent" means the total monthly payments by the Tenant of a Unit for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by Borrower which are required of all Tenants, other than security deposits; an allowance for the cost of an adequate level of service for utilities paid by the Tenant, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service or cable TV; and any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than Borrower, and paid by the Tenant.

(cc) "Tenant" means the tenant household that occupies a Unit in the Development.

(dd) "Term" means the term of this Agreement which commences as of the date of this Agreement, and unless sooner terminated pursuant to the terms of this Agreement, expires on the date fifty-five (55) years from the date of this Agreement.

(ee) "Unit(s)" means one (1) or more of the units in the Development.

(ff) "Very Low Income Household" means a household with an Adjusted Income that does not exceed fifty percent (50%) of Median Income, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than fifty percent (50%) of Median Income on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes, as set forth in 24 C.F.R. Section 92.2.

(gg) "Very Low Income Units" means the Units which, pursuant to Section 2.1(a) below, are required to be occupied by Very Low Income Households.

## ARTICLE 2 AFFORDABILITY AND OCCUPANCY COVENANTS

### 2.1 Occupancy Requirements.

(a) Very Low Income Units. During the Term, Borrower shall rent fifteen (15) Units, and ensure that these Units are occupied or, if vacant, available for occupancy, by Very Low Income Households. The County-Assisted Units are comprised of five (5) one-bedroom Units and ten (10) two-bedroom Units.

(b) Disabled Persons Occupancy. Borrower shall cause the Development to be operated at all times in compliance with the provisions of: (i) the Unruh Act, (ii) the California Fair Employment and Housing Act, (iii) Section 504 of the Rehabilitation Act of 1973, (iv) the United States Fair Housing Act, as amended, and (v) the Americans With Disabilities Act of 1990, which relate to disabled persons access. Borrower shall indemnify, protect, hold harmless and defend (with counsel reasonably satisfactory to the County) the County, and its boardmembers, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments and liens arising out of Borrower's failure to comply with applicable legal requirements related to housing for persons with disabilities. The provisions of this subsection will survive expiration of the Term or other termination of this Agreement, and remain in full force and effect.

### 2.2 Allowable Rent.

(a) Very Low Income Rent. Subject to the provisions of Section 2.3 below, the Rent paid by Tenants of Very Low Income Units, may not exceed the Low HOME Rent.

(b) No Additional Fees. Borrower may not charge any fee, other than Rent, to any Tenant of the County-Assisted Units for any housing or other services provided by

Borrower. All Tenants must have equal access to and enjoyment of all common facilities in the Development.

### 2.3 Rent Increases; Increased Income of Tenants.

(a) Rent Increases. The initial Rents and subsequent Rents for all County-Assisted Units must be approved by the County prior to occupancy and are subject to the HOME Regulations. All Rent increases for all County-Assisted Units are also subject to County approval. The Rent for such Units may be increased no more than once annually based upon the annual income certification described in Article 3. Tenants are to be given at least sixty (60) days written notice prior to any Rent increase. The County will provide Borrower with a schedule of maximum permissible Rents for the County-Assisted Units annually.

(b) Increased Income above Very Low but below Low Income Limit. Subject to Subsection (a) above, if, upon the annual certification of the income of a Tenant of a County-Assisted Unit, Borrower determines that the income of a Very Low Income Household has increased above the qualifying limit for a Very Low Income Household, but not above the qualifying income for a Low Income Household, the Tenant may continue to occupy the Unit and the Tenant's Rent will remain at the Low HOME Rent. When the Tenant vacates the Unit, the Borrower shall rent the Unit to a Very Low Income Household, to comply with the requirements of Section 2.1 above.

(c) Non-Qualifying Household. If, upon the annual certification of the income a Tenant of a County-Assisted Unit, Borrower determines that the income of a Very Low Income Household has increased above the qualifying limit for a Low Income Household, such Tenant shall be permitted to retain the Unit and upon expiration of the Tenant's lease and upon sixty (60) days written notice, the Rent must be increased to the lesser of one-twelfth (1/12<sup>th</sup>) of thirty percent (30%) of the actual Adjusted Income of the Tenant, or fair market rent. When the Tenant vacates the Unit, the Borrower shall rent the Unit to a Very Low Income Household, to comply with the requirements of Section 2.1 above.

(d) Termination of Occupancy. Upon termination of occupancy of a Unit by a Tenant, Borrower shall rent such Unit to a Very Low Income Household to comply with the requirements of Section 2.1 above.

## ARTICLE 3 INCOME CERTIFICATION AND REPORTING

3.1 Income Certification. Borrower shall obtain, complete, and maintain on file, immediately prior to initial occupancy, and annually thereafter, income certifications from each Tenant renting any of the County-Assisted Units. Borrower shall make a good faith effort to verify the accuracy of the income provided by the applicant or occupying household, as the case may be, in an income certification. To verify the information Borrower shall take two or more of the following steps: (i) obtain a pay stub for the most recent pay period; (ii) obtain an income tax return for the most recent tax year; (iii) conduct a credit agency or similar search; (iv) obtain an income verification form from the applicant's current employer; (v) obtain an income verification form from the Social Security Administration and/or the California Department of

Social Services if the applicant receives assistance from either of such agencies; or (vi) if the applicant is unemployed and does not have a tax return, obtain another form of independent verification. Copies of Tenant income certifications are to be available to the County upon request.

3.2 Tenant Selection Plan. Before leasing any Unit in the Development Borrower shall submit to County for review and approval, a written tenant selection plan. Borrower's tenant selection plan must, at a minimum, meet the requirements for tenant selection set out in 24 C.F.R. 92.253(d) and any modifications thereto. Borrower may not make material modifications to its tenant selection plan without the prior written approval of the County, which approval shall not be unreasonably withheld or delayed.

3.3 Reporting Requirements. Borrower shall submit to the County (a) not later than the forty-fifth (45<sup>th</sup>) day after the close of each calendar year, or such other date as may be requested by the County, a statistical report, including income and rent data for all Units, setting forth the information called for therein, and (b) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the County in order to comply with reporting requirements of HUD, the State of California, and the County.

3.4 Additional Information. Borrower shall provide any additional information reasonably requested by the County.

3.5 Records. Borrower shall maintain complete, accurate and current records pertaining to the Development, and shall permit any duly authorized representative of the County to inspect records, including records pertaining to the selection of Tenants, and income and household size of Tenants. All Tenant lists, applications and waiting lists relating to the Development are to be at all times: (i) separate and identifiable from any other business of Borrower, (ii) maintained as required by the County, in a reasonable condition for proper audit, and (iii) subject to examination during business hours by representatives of the County. Borrower shall retain copies of all materials obtained or produced with respect to occupancy of the units for a period of at least five (5) years. The County may examine and make copies of all books, records or other documents of Borrower that pertain to the Development.

3.6 HOME Record Requirements. For the period of the HOME Term all records maintained by Borrower pursuant to Sections 3.3 and 3.5 above are to be (i) maintained in compliance with all applicable HUD records and accounting requirements, and (ii) open to and available for inspection and copying by HUD and its authorized representatives at reasonable intervals during normal business hours; provided however, records pertaining to Tenant income verifications, Rents, and Development inspections are subject to HUD inspection for five (5) years after expiration of the HOME Term. Borrower is subject to the audit requirements set forth in 24 CFR 92.505 during the HOME Term.

3.7 On-Site Inspection. The County may perform an on-site inspection of the Development at least one (1) time per year. Borrower shall cooperate in such inspection.

## ARTICLE 4 OPERATION OF THE DEVELOPMENT

4.1 Residential Use. Borrower shall operate the Development for residential use only. No part of the Development may be operated as transient housing.

4.2 Compliance with Loan Documents and Program Requirements. Borrower's actions with respect to the Property shall at all times be in full conformity with: (i) all requirements of the Loan Documents; (ii) all requirements imposed on projects assisted with NSP3 Funds, and (iii) any other regulatory requirements imposed on the Development.

4.3 Taxes and Assessments. Borrower shall pay all real and personal property taxes, assessments and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Borrower may contest in good faith, any such taxes, assessments, or charges. In the event Borrower exercises its right to contest any tax, assessment, or charge against it, Borrower, on final determination of the proceeding or contest, will immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

4.4 Property Tax Exemption. Borrower shall not apply for a property tax exemption for the Property under any provision of law except California Revenue and Taxation Section 214(g) without the prior written consent of the County.

## ARTICLE 5 PROPERTY MANAGEMENT AND MAINTENANCE

5.1 Management Responsibilities. Borrower is responsible for all management functions with respect to the Development, including without limitation the selection of Tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The County has no responsibility for management of the Development. Borrower shall retain a professional property management company approved by the County in its reasonable discretion to perform Borrower's management duties hereunder. An on-site property manager is also required.

5.2 Management Agent. Borrower shall cause the Development to be managed by an experienced management agent reasonably acceptable to the County, with a demonstrated ability to operate residential facilities like the Development in a manner that will provide decent, safe, and sanitary housing (the "Management Agent"). The County approves Affordable Housing Associates, Inc. as the Management Agent. Borrower shall submit for the County's approval the identity of any proposed subsequent management agent. Borrower shall also submit such additional information about the background, experience and financial condition of any proposed management agent as is reasonably necessary for the County to determine whether the proposed



management agent meets the standard for a qualified management agent set forth above. If the proposed management agent meets the standard for a qualified management agent set forth above, the County shall approve the proposed management agent by notifying Borrower in writing. Unless the proposed management agent is disapproved by the County within thirty (30) days, which disapproval is to state with reasonable specificity the basis for disapproval, it shall be deemed approved.

5.3 Periodic Performance Review. The County reserves the right to conduct an annual (or more frequently, if deemed necessary by the County) review of the management practices and financial status of the Development. The purpose of each periodic review will be to enable the County to determine if the Development is being operated and managed in accordance with the requirements and standards of this Agreement. Borrower shall cooperate with the County in such reviews.

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

If, after such meeting, County staff recommends in writing the replacement of the Management Agent, Borrower shall promptly dismiss the then-current Management Agent, and shall appoint as the Management Agent a person or entity meeting the standards for a management agent set forth in Section 5.2 above and approved by the County pursuant to Section 5.2 above.

Any contract for the operation or management of the Development entered into by Borrower shall provide that the Management Agent may be dismissed and the contract terminated as set forth above. Failure to remove the Management Agent in accordance with the provisions of this Section constitutes a default under this Agreement, and the County may enforce this provision through legal proceedings as specified in Section 6.7 below.

5.5 Approval of Management Policies. Borrower shall submit its written management policies with respect to the Development to the County for its review, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement.

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

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

In the event that Borrower breaches any of the covenants contained in this section and such default continues for a period of five (5) business days after written notice from the County with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the County with respect to landscaping and building improvements, then the County, in addition to whatever other remedy it may have at law or in equity, has the right to enter upon the Property and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, the County is permitted (but is not required) to enter upon the Property and to perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the County and/or costs of such cure, which amount shall be promptly paid by Borrower to the County upon demand.

## ARTICLE 6 MISCELLANEOUS

6.1 Lease Provisions. In newly leasing the Units within the Development, Borrower shall use a form of lease approved by the County, which approval shall not be unreasonable withheld or delayed. The lease must not contain any provision which is prohibited by 24 C.F.R. Section 92.253(b) and any amendments thereto. The form of lease must comply with all requirements of this Agreement, the other Loan Documents and must, among other matters:

(a) provide for termination of the lease for failure to: (i) provide any information required under this Agreement or reasonably requested by Borrower to establish or recertify the Tenant's qualification, or the qualification of the Tenant's household, for occupancy in the Development in accordance with the standards set forth in this Agreement, or (ii) qualify as a Very Low Income Household as a result of any material misrepresentation made by such Tenant with respect to the income computation.

(b) be for an initial term of not less than one (1) year, unless by mutual agreement between the Tenant and Borrower, and provide for no increase in Rent during such year. After the initial year of tenancy, the lease may be month-to-month by mutual agreement of Borrower and the Tenant. Notwithstanding the above, any rent increases are subject to the requirements of Section 2.3 (a) above.

(c) include a provision which requires a Tenant who is residing in a Unit required to be accessible pursuant to Section 3.11 of the Loan Agreement and who is not in need

of an accessible Unit to move to a non-accessible Unit when a non-accessible Unit becomes available and another Tenant or prospective Tenant is in need of an accessible Unit.

6.2 Lease Termination. Any termination of a lease or refusal to renew a lease for a County-Assisted Unit within the Development must be in conformance with 24 C.F.R. 92.253(c), and must be preceded by not less than sixty (60) days written notice to the Tenant by Borrower specifying the grounds for the action.

6.3 Nondiscrimination.

(a) All of the Units must be available for occupancy on a continuous basis to members of the general public who are income eligible. Borrower may not give preference to any particular class or group of persons in renting or selling the Units, except to the extent that the Units are required to be leased to income eligible households pursuant to this Agreement or except as required pursuant to any regulatory agreement entered into between Borrower and the California Housing Finance Agency with respect to the Mental Health Services Act funds. Borrower herein covenants by and for Borrower, assigns, and all persons claiming under or through Borrower, that there exist no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, source of income (e.g., SSI), ancestry, or disability, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any unit nor will Borrower or any person claiming under or through Borrower, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of any unit or in connection with the employment of persons for the construction, operation and management of any unit.

(b) Borrower shall accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. Borrower may not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective Tenants, nor will Borrower apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective Tenants.

6.4 Term. The provisions of this Agreement apply to the Property for the entire Term even if the Loan is paid in full prior to the end of the Term. This Agreement binds any successor, heir or assign of Borrower, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by County. County is making the Loan on the condition, and in consideration of, this provision, and would not do so otherwise.

6.5 Notice of Expiration of Term.

(a) At least six (6) months prior to the expiration of the Term, Borrower shall provide by first-class mail, postage prepaid, a notice to all Tenants containing (i) the anticipated date of the expiration of the Term, (ii) any anticipated increase in Rent upon the expiration of the

Term, (iii) a statement that a copy of such notice will be sent to the County, and (iv) a statement that a public hearing may be held by the County on the issue and that the Tenant will receive notice of the hearing at least fifteen (15) days in advance of any such hearing. Borrower shall also file a copy of the above-described notice with the County's Deputy Director – Current Planning.

(b) In addition to the notice required above, Borrower shall comply with the requirements set forth in California Government Code Sections 65863.10 and 65863.11. Such notice requirements include: (i) a twelve (12) month notice to existing tenants, prospective tenants and Affected Public Agencies (as defined in California Government Code Section 65863.10(a), which would include the County's Deputy Director – Current Planning) prior to the expiration of the Term, (ii) a six (6) month notice requirement to existing tenants, prospective tenants and Affected Public Agencies prior to the expiration of the Term; (iii) a notice of an offer to purchase the Development to "qualified entities" (as defined in California Government Code Section 65863.11(d)), if the Development is to be sold within five (5) years of the end of the Term; (iv) a notice of right of first refusal within the one hundred eighty (180) day period that qualified entities may purchase the Development.

6.6 Covenants to Run With the Land. The County and Borrower hereby declare their express intent that the covenants and restrictions set forth in this Agreement run with the land, and bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof, is to be held conclusively to have been executed, delivered and accepted subject to the covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the County expressly releases such conveyed portion of the Property from the requirements of this Agreement.

6.7 Enforcement by The County. If Borrower fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the County has notified Borrower in writing of the default or, if the default cannot be cured within thirty (30) days, fails to commence to cure within thirty (30) days and thereafter diligently pursue such cure and complete such cure within ninety (90) days, the County may enforce this Agreement by any or all of the following actions, or any other remedy provided by law:

(a) Calling the Loan. The County may declare a default under the Note, accelerate the indebtedness evidenced by the Note, and proceed with foreclosure under the Deed of Trust.

(b) Action to Compel Performance or for Damages. The County may bring an action at law or in equity to compel Borrower's performance of its obligations under this Agreement, and may seek damages.

(c) Remedies Provided Under Loan Documents. The County may exercise any other remedy provided under the Loan Documents.

6.8 Attorneys' Fees and Costs. In any action brought to enforce this Agreement, the prevailing party must be entitled to all costs and expenses of suit, including reasonable attorneys' fees. This section must be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

6.9 Recording and Filing. The County and Borrower shall cause this Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the County of Contra Costa.

6.10 Governing Law. This Agreement is governed by the laws of the State of California.

6.11 Waiver of Requirements. Any of the requirements of this Agreement may be expressly waived by the County in writing, but no waiver by the County of any requirement of this Agreement extends to or affects any other provision of this Agreement, and may not be deemed to do so.

6.12 Amendments. This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title that is duly recorded in the official records of the County of Contra Costa.

6.13 Notices. Any notice requirement set forth herein will be deemed to be satisfied three (3) days after mailing of the notice first-class United States certified mail, postage prepaid, addressed to the appropriate party as follows:

County: County of Contra Costa  
Department of Conservation and  
Development  
30 Muir Road  
Martinez, CA 94553  
Attn: Affordable Housing Program  
Manager

Borrower: Robin Lane LLC  
1250 Addison Street, Suite G  
Berkeley, CA 94702  
Attn: Executive Director

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

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

6.15 Multiple Originals; Counterparts. This Agreement may be executed in multiple

originals, each of which is deemed to be an original, and may be signed in counterparts.

WHEREAS, this Agreement has been entered into by the undersigned as of the date first written above.

**COUNTY:**

COUNTY OF CONTRA COSTA, a political  
subdivision of the State of California

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

Its:\_\_\_\_\_

Approved as to form:

SHARON L. ANDERSON  
County Counsel

By: \_\_\_\_\_  
Kathleen Andrus  
Deputy County Counsel

**BORROWER:**

Robin Lane LLC, a California limited liability  
company

By: AHA Development, Inc., a California  
nonprofit public benefit corporation, its sole  
member

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

Its:\_\_\_\_\_





## EXHIBIT A

### Legal Description

The land is situated in the State of California, County of Contra Costa, and is described as follows: