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Contra Costa County
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553
Attn: Assistant Deputy Director

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Government Code Section 27383

COUNTY REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS

This Amended and Restated County Regulatory Agreement and Declaration of Restrictive Covenants (the "County Regulatory Agreement") is made and entered into as of _____, 2017, by and between the County of Contra Costa, a political subdivision of the State of California ("County"), and SHELTER, Inc. of Contra Costa County, a California nonprofit public benefit corporation ("Grantee").

RECITALS

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

B. The County leased certain real property located in the County of Contra Costa, as more particularly described in Exhibit A attached hereto (the "Property") to the Grantee pursuant to a ground lease dated as of February 1, 2000.

C. The County and the Grantee previously entered into a HOME Revocable Grant Agreement dated June 30, 2000 (the "Grant Agreement") pursuant to which County provided a grant of Five Hundred Eighty-Seven Thousand Dollars (\$587,000) in HOME funds (the "County Grant") to Grantee to construct a twenty (20) unit transitional center for homeless households (the "Development") on the Property.

D. The County Grant is funded with HOME Investment Partnership Act funds received by County from HUD pursuant to the Cranston-Gonzales National Housing Act of 1990.

E. The County agreed to make the County Grant to Grantee on the condition that the Development be maintained and operated in accordance with restrictions concerning affordability, operation, and maintenance of the Development, as specified in the Grant

Agreement and a Regulatory Agreement and Declaration of Restrictive Covenants dated as of June 30, 2000, which was recorded as Doc-2000-0170178-00 in the official records of Contra Costa County (the "Original Regulatory Agreement").

F. The parties desire to replace the Original Regulatory Agreement with the HOME Regulatory Agreement in order to permit a different use of the Development. Specifically, the parties desire that Grantee be required to use the Development to provide affordable, permanent, housing in accordance with the terms of the HOME Regulatory Agreement and this County Regulatory Agreement. Upon execution of the HOME Regulatory Agreement and this County Regulatory Agreement, the Original Regulatory Agreement will be superseded in its entirety by the HOME Regulatory Agreement and this County Regulatory Agreement, which will be recorded against the Property.

G. In consideration of receipt of the County Grant, Grantee agrees to observe all the terms and conditions set forth below.

THEREFORE, County and Grantee hereby agree as follows.

ARTICLE 1 DEFINITIONS

1.1 Definitions.

When used in this County Regulatory Agreement, the following terms have the respective meanings assigned to them in this Article 1.

(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 a household as calculated in accordance with 24 CFR 92.203(b)(1) (which incorporates 24 CFR 813).

(c) "Assumed Household Size" means the assumed household size under the HOME program for a two-bedroom unit or three-bedroom unit, as applicable.

(d) "County-Assisted Units" means the nineteen (19) Units designated as assisted by the County.

(e) "County Deed of Trust" means the deed of trust to County on the Property that (i) secures repayment of the County Grant and the performance of the Grant Agreement, the HOME Regulatory Agreement and this County Regulatory Agreement, and (ii) was recorded in the official records of Contra Costa County on August 9, 2000 as Document No. 2000-0170177-00.

(f) "County Grant" has the meaning ascribed to it in Recital C.

(g) "Development" means the Property and the twenty (20) housing units developed on the Property, as well as any additional improvements, and all landscaping, roads and parking spaces existing thereon, as the same may from time to time exist.

(h) "Extremely Low Income Household" means a household with an Adjusted Income which does not exceed thirty percent (30%) of Median Income, adjusted for Actual Household Size.

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

(j) "Grant Agreement" means the HOME Revocable Grant Agreement entered into by and between County and Grantee, dated as of June 30, 2000, as amended from time to time.

(k) "HOME" means the HOME Investment Partnership Act Program pursuant to the Cranston-Gonzales National Housing Act of 1990, as amended.

(l) "HOME Regulatory Agreement" means the Amended and Restated HOME Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith, between the County and Grantee evidencing HOME requirements applicable to the Grant, which is being recorded against the Property concurrently herewith.

(m) "HUD" means the United States Department of Housing and Urban Development.

(n) "Low Income Household" means a 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.

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

(p) "Original Regulatory Agreement" has the meaning set forth in Paragraph E of the Recitals.

(q) "Property" has the meaning ascribed to it in Recital B.

(r) "Rent" means the total of monthly payments by the Tenant of a Unit for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by Grantee 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 Grantee, and paid by the Tenant.

(s) "Sixty-Five Percent Income Household" means a household (i) with an Adjusted Income that does not exceed sixty-five percent (65%) of Median Income, adjusted for Actual Household Size.

(t) "Sixty-Five Percent Income Units" means the Units which, pursuant to Section 2.1(c) below, are required to be occupied by Sixty-Five Percent Income Households.

(u) "Tenant" means a household occupying a Unit.

(v) "Term" means the term of this County Regulatory Agreement which commences on the date of this County Regulatory Agreement, and unless sooner terminated pursuant to the terms of this County Regulatory Agreement, expires on the fifty-fifth (55th) anniversary of the date of this County Regulatory Agreement.

(w) "Unit" means one of the twenty (20) housing units included in the Development.

(x) "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.

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

ARTICLE 2 AFFORDABILITY AND OCCUPANCY COVENANTS

2.1 Occupancy Requirements.

(a) Extremely Low Income Units. No fewer than four (4) of the County-Assisted Units shall be rented to and occupied by or, if vacant, available for occupancy by Extremely Low Income Households.

(b) Very Low Income Units. No fewer than seven (7) of the County-Assisted Units shall be rented to and occupied by or, if vacant, available for occupancy by Very Low Income Households.

(c) Sixty-Five Percent Income Units. No fewer than eight (8) of the County-Assisted Units shall be rented to and occupied by or, if vacant, available for occupancy by Sixty-Five Percent Income Households.

(d) Intermingling of Units. The County-Assisted Units shall be intermingled with, and shall be of comparable quality to, all other units on the Property. A minimum of two (2) of the three-bedroom units shall be County-Assisted Units. Tenants in all Units shall have equal access to and enjoyment of all common facilities of the Development.

2.2 Allowable Rent.

(a) Extremely Low Income Rent. Subject to the provisions of Section 2.3 below, the Rent (including utility allowance) charged to Tenants of the Extremely Low Income Units shall not exceed one-twelfth (1/12) of thirty percent (30%) of thirty percent (30%) of Median Income, adjusted for Assumed Household Size.

(b) Very Low Income Rent. Subject to the provisions of Section 2.3 below, the Rent (including utility allowance) charged to Tenants of the Very Low Income Units shall not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Median Income, adjusted for Assumed Household Size.

(c) Sixty-Five Percent Income Rent. Subject to the provisions of Section 2.3 below, the Rent (including utility allowance) charged to Tenants of the Sixty-Five Percent Income Units shall not exceed one-twelfth (1/12) of thirty percent (30%) of sixty-five percent (65%) of Median Income, adjusted for Assumed Household Size.

(d) County Approval of Rent. Initial amounts for Rent for all County-Assisted Units shall be approved by County prior to occupancy. All increases in Rent for residents of County-Assisted Units shall also be subject to County approval. The County shall provide Grantee with a schedule of maximum permissible charges for Rent for the County-Assisted Units annually.

2.3 Increased Income of Tenants.

(a) Increase from Extremely Low Income to Very Low Income. If, upon recertification of the income of a Tenant of a County-Assisted Unit, the Borrower determines that a former Extremely Low Income Household's Adjusted Income has increased and exceeds the qualifying income for an Extremely Low Income Household, but does not exceed the maximum qualifying income for a Very Low Income Household, then, upon expiration of the Tenant's lease:

(1) Such Tenant's Unit shall be considered a Very Low Income Unit;

(2) Such Tenant's Rent may be increased to the Very Low Income Rent, upon sixty (60) days written notice to the Tenant; and

(3) The Borrower shall rent the next available Unit to an Extremely Low Income Household at Rent not exceeding the maximum Rent specified in Section 2.2(a) to comply with the requirements of Section 2.1(a) and Section 2.2(a) above.

Increase above Very Low Income but below Low Income. If, upon recertification of the income of a Tenant of a County-Assisted Unit, the Borrower determines that a former Extremely Low Income Household's, Very Low Income Household's, or Sixty-Five Percent Income Household's Adjusted Income has increased and exceeds the qualifying income for a Sixty-Five Percent Income Household, but does not exceed the maximum qualifying income for a Low Income Household, then, upon expiration of the Tenant's lease:

(1) Such Tenant's Unit shall be considered a Sixty-Five Percent Income Unit;

(2) Such Tenant's Rent may be increased to the Sixty-Five Percent Income Rent, upon sixty (60) days written notice to the Tenant; and

(3) The Borrower shall rent the next available Unit to an Extremely Low Income Household, Very Low Income Household or Sixty-Five Percent Income Household at Rent not exceeding the maximum Rent specified in Section 2.2 to comply with the requirements of Section 2.1 and Section 2.2 above.

(b) Non-Qualifying Household. If, upon recertification of the income of a Tenant of a County-Assisted Unit, Grantee determines that a former Extremely Low Income Household, Very Low Income Household, or Sixty-Five Percent Income Household has an Adjusted Income exceeding the maximum qualifying income for a Low Income Household, such Tenant shall be permitted to continue to occupy the Unit. Upon the expiration of such Tenant's lease, Borrower shall with 60 days' advance written notice, increase such Tenant's Rent to the lesser of (i) one-twelfth (1/12) of thirty percent (30%) of the actual Adjusted Income of the Tenant, and (ii) the fair market rent.

Grantee shall rent the next available County-Assisted Unit to an Extremely Low Income Household, a Very Low Income Household, or a Sixty-Five Percent Income Household to meet the requirements of Section 2.1 above as applicable.

(c) Termination of Occupancy. Upon termination of occupancy of a County-Assisted Unit by a Tenant, such Unit shall be deemed to be continuously occupied by a household of the same income level as the initial income level of the vacating Tenant, until such Unit is reoccupied, at which time the income character of the Unit shall be redetermined.

2.4 Units Available to the Disabled.

In compliance with Section 504 of the Rehabilitation Act of 1973, a minimum of one (1) County-Assisted Unit shall be fully accessible to mobility impaired persons and an additional one (1) County-Assisted Unit shall be accessible to vision and/or hearing impaired persons.

ARTICLE 3 INCOME CERTIFICATION AND REPORTING

3.1 Income Status Certification.

Grantee will 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. Grantee shall make a good faith effort to verify that the income provided by an applicant or occupying household in an income certification is accurate by taking two or more of the following steps as a part of the verification process: (a) obtain a pay stub for the most recent pay period; (b) obtain an income tax return for the most recent tax year; (c) conduct a credit agency or similar search; (d) obtain an income verification form from the applicant's current employer; (e) 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 (f) if the applicant is unemployed and has no such tax return, obtain another form of independent verification. Copies of Tenant income certifications shall be available to County upon request.

3.2 Annual Report to County.

Grantee shall submit to County (a) not later than the forty-fifth (45th) day after the close of each calendar year, or such other date as may be requested by County, a statistical report, including income, rent, and service fee data for all County-Assisted 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 County in order to comply with reporting requirements of the United States Department of Housing and Urban Development, the State of California, or the County.

3.3 Additional Information.

Grantee shall provide any additional information reasonably requested by County. County shall have the right to examine and make copies of all books, records or other documents of Grantee which pertain to the Development.

3.4 Tenant Records.

Grantee shall maintain complete, accurate and current records pertaining to the income and household size of Tenants residing in County-Assisted Units, and shall permit any duly authorized representative of County to inspect records. All Tenant lists, applications and waiting lists relating to the Development shall at all times be kept separate and identifiable from any

other business of Grantee and shall be maintained as required by County, in a reasonable condition for proper audit and subject to examination during business hours by representatives of County. Grantee shall retain copies of all materials obtained or produced with respect to occupancy of the County-Assisted Units for a period of at least five (5) years.

3.5 Development Records.

(a) Grantee shall keep and maintain at the principal place of business of the Grantee set forth in Section 6.14 below, or elsewhere with the County's written consent, full, complete and appropriate books, records and accounts relating to the Development. Grantee shall cause all books, records and accounts relating to its compliance with the terms, provisions, covenants and conditions of the Grant Agreement to be kept and maintained in accordance with generally accepted accounting principles consistently applied, and to be consistent with requirements of this County Regulatory Agreement. Grantee shall cause all books, records, and accounts to be open to and available for inspection and copying by HUD, the County, its auditors or other authorized representatives at reasonable intervals during normal business hours. Grantee shall cause copies of all tax returns and other reports that Grantee may be required to furnish to any government agency to be open for inspection by the County at all reasonable times at the place that the books, records and accounts of Grantee are kept. Grantee shall preserve such records for a period of not less than five (5) years after their creation in compliance with all HUD records and accounting requirements. If any litigation, claim, negotiation, audit exception, monitoring, inspection or other action relating to the use of the Grant is pending at the end of the record retention period stated herein, then Grantee shall retain the records until such action and all related issues are resolved. Grantee shall cause the records to include all invoices, receipts, and other documents related to expenditures from the Grant funds. Grantee shall cause records to be accurate and current and in a form that allows the County to comply with the record keeping requirements contained in 24 C.F.R. 92.508. Such records are to include but are not limited to:

- (i) Records providing a full description of the activities undertaken with the use of the Grant funds;
- (ii) Records demonstrating compliance with the maintenance requirements of this County Regulatory Agreement;
- (iii) Records documenting compliance with the fair housing, equal opportunity, and affirmative fair marketing requirements;
- (iv) Financial records; and
- (v) Records demonstrating compliance with marketing, tenant selection, affordability, and income requirements.

(b) The County shall notify Grantee of any records it deems insufficient. Grantee has fifteen (15) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the County in such notice, or if a period longer than

fifteen (15) days is reasonably necessary to correct the deficiency, then Grantee must begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

3.6 On-site Inspection.

County shall have the right to perform an on-site inspection of the Development at least one time per year. Grantee agrees to cooperate in such inspection.

ARTICLE 4
OPERATION OF THE DEVELOPMENT

4.1 Residential Use.

The Development shall be operated as affordable housing for Extremely Low Income Households, Very Low Income Households and Sixty-Five Percent Income Households. No part of the Development shall be operated as transient housing with occupancy of less than thirty (30) days.

4.2 Compliance with Grant Agreement.

Grantee shall comply with all the terms and provisions of the Grant Agreement.

4.3 Taxes and Assessments.

Grantee 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 fine or charge from attaching to the Property; provided, however, that Grantee shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event Grantee exercises its right to contest any tax, assessment, or charge against it, Grantee, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

4.4 Property Tax Exemption.

Grantee 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.

The Grantee 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. County shall have no responsibility over management of the Development.

5.2 Management Agent; Periodic Reports.

The Development shall at all times be managed by an experienced management agent reasonably acceptable to County, with demonstrated ability to operate residential facilities like the Development in a manner that will provide decent, safe, and sanitary housing (as approved, the "Management Agent"). A resident manager shall also be required. The Grantee shall submit for County's approval the identity of any proposed Management Agent (and County pre-approves, initial self-management of the Development by Grantee). The Grantee shall also submit such additional information about the background, experience and financial condition of any proposed Management Agent as is reasonably necessary for 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, County shall approve the proposed Management Agent by notifying the Grantee in writing. Unless the proposed Management Agent is disapproved by County within thirty (30) days, which disapproval shall state with reasonable specificity the basis for disapproval, it shall be deemed approved.

5.3 Performance Review.

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

5.4 Replacement of Management Agent.

If, as a result of a periodic review, County determines in its reasonable judgement that the Development is not being operated and managed in accordance with any of the material requirements and standards of this County Regulatory Agreement, County shall deliver notice to Grantee of its intention to cause replacement of the Management Agent, including the reasons therefor. Within fifteen (15) days of receipt by Grantee of such written notice, County staff and the Grantee 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, Grantee shall promptly dismiss the then 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 County pursuant to Section 5.2 above.

Any contract for the operation or management of the Development entered into by Grantee shall provide that the contract can be terminated as set forth above. Failure to remove the Management Agent in accordance with the provisions of this Section shall constitute default under this County Regulatory Agreement, and County may enforce this provision through legal proceedings as specified in Section 6.6 below.

5.5 Approval of Management Policies.

The Grantee shall submit its written management policies with respect to the Development to County for its review, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this County Regulatory Agreement.

5.6 Property Maintenance.

The Grantee agrees, for the entire Term of this County Regulatory Agreement, to maintain 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:

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

In the event that the Grantee breaches any of the covenants contained in this section and such default continues for a period of five (5) days after written notice from County with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from County with respect to landscaping and building improvements, then County, in addition to whatever other remedy it may have at law or in equity, shall have 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, County shall be permitted (but is not required) to enter upon the Property and 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 County and/or costs of such cure, which amount shall be promptly paid by the Grantee to County upon demand.

ARTICLE 6 MISCELLANEOUS

6.1 Lease Provisions.

In leasing the County-Assisted Units, Grantee shall use a form of Tenant lease approved by County. The form of Tenant lease shall also comply with all requirements of this County Regulatory Agreement and the Grant Agreement, and shall, among other matters:

(a) provide for termination of the lease and consent by the Tenant to immediate eviction for failure: (1) to provide any information required under this County Regulatory Agreement or reasonably requested by Grantee 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 County Regulatory Agreement, or (2) to qualify as an Extremely Low Income Household or Very Low Income Household or Sixty-Five Percent Income Household as a result of any material misrepresentation made by such Tenant with respect to the income computation or certification; and

(b) be for an initial term of not less than one year (1) (unless a shorter term is mutually agreed by the Tenant and the Grantee) and provide for no increase in Rent during such time period. After the initial term of tenancy, the lease may be month to month by mutual agreement of Grantee and the Tenant, however Rent may not be raised more often than once a year. Grantee will provide each Tenant with at least sixty (60) days' written notice of any increase in Rent applicable to such Tenant, and with such further notice as may be required by Section 2.3 above.

(c) any termination of a lease or refusal by Grantee to renew must be preceded by no less than thirty (30) days written notice to the tenant by Grantee specifying the grounds for the action.

6.2 Nondiscrimination.

All of the Units shall be available for occupancy on a continuous basis to members of the general public who are income eligible. Grantee shall not give preference to any particular class or group of persons in renting the Units, except to the extent that the Units are required to be leased to Extremely Low Income Households, Very Low Income Households, and Sixty-Percent Income Households. There shall be 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 shall Grantee or any person claiming under or through Grantee, 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.

6.3 Term.

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

6.4 Notice of Expiration of Term.

(a) At least six (6) months prior to the expiration of the Term, Grantee shall provide by first-class mail, postage prepaid, a notice to all Tenants containing (a) the anticipated date of the expiration of the Term, (b) any anticipated increase in Rent upon the expiration of the Term, (c) a statement that a copy of such notice will be sent to County, and (d) a statement that a public hearing may be held by 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. Grantee shall also file a copy of the above-described notice with the County's Assistant Deputy Director, Department of Conservation.

(b) In addition to the notice required above, Grantee 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)) 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.

6.5 Covenants to Run With the Land.

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

6.6 Enforcement by County.

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

(a) Calling the County Grant. County may declare a default under the Grant Agreement, require repayment of the Grant (including interest due pursuant to the Grant Agreement), and proceed with foreclosure under the County Deed of Trust.

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

(c) Remedies Provided Under Grant Agreement. County may exercise any other remedy provided under the Grant Agreement.

6.7 Attorneys' Fees and Costs.

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

6.8 Recording and Filing.

County and Grantee shall cause this County Regulatory Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the County of Contra Costa.

6.9 Governing Law.

This County Regulatory Agreement shall be governed by the laws of the State of California.

6.10 Waiver of Requirements.

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

6.11 Amendments.

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

6.12 Notices.

Any notice requirement set forth herein shall 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:

Grantee: SHELTER, Inc. of Contra Costa County
1070 Concord Ave.
Concord, CA 94520
Attention: Chief Executive Officer

County: County of Contra Costa
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553
Attn: Assistant Deputy Director

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

6.13 Severability.

If any provision of this County Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this County Regulatory Agreement shall not in any way be affected or impaired thereby.

6.14 Multiple Originals; Counterparts.

This County Regulatory Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

6.15 HOME Regulatory Agreement.

The County and Grantee are entering into this County Regulatory Agreement concurrently with the HOME Regulatory Agreement. The HOME Regulatory Agreement as it applies to the County-Assisted Units will be in effect until December 31, 2022 (the "HOME Term") and includes HOME requirements applicable to the use of the County Grant. Compliance with the terms of the HOME Regulatory Agreement will be deemed compliance with this County Regulatory Agreement during the HOME Term. In the event of a conflict between this County

Regulatory Agreement and the HOME Regulatory Agreement during the HOME Term, the terms of the HOME Regulatory Agreement will prevail.

IN WITNESS WHEREOF, County and Grantee are executing this County Regulatory Agreement by duly authorized representatives, all on the date first written above.

GRANTEE:

SHELTER, INC. OF CONTRA COSTA COUNTY,
a California nonprofit public benefit corporation

By: _____
John Eckstrom, Chief Executive Officer

COUNTY:

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

By: _____
John Kopchik
Director, Department of Conservation and
Development

Approved as to form:

SHARON L. ANDERSON
County Counsel

By: _____
Kathleen Andrus
Deputy County Counsel

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A

Legal Description of the Property