

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Alameda
Housing and Human Services
950 West Mall Square, Suite 205
Alameda, California 94501-7558
Attention: Housing and Human Services
Manager

This document is exempt from the payment of a
recording fee pursuant to Government Code § 27383.

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS
(City of Alameda HOME Grant – China Clipper)**

This Regulatory Agreement and Declaration of Restrictive Covenants (the "**Agreement**") is made and entered into as of June __, 2026 by and between the City of Alameda, a municipal corporation ("**City**"), and HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a municipal corporation ("**Grantee**").

RECITALS

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

B. The Grantee owns certain real property located at 460 Buena Vista Avenue, in the City of Alameda, County of Alameda, State of California, as more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "**Property**").

C. CITY is a Participating Jurisdiction in the Alameda County HOME Consortium and a recipient of funds pursuant to the HOME Investment Partnerships Act, under the U.S. Department of Housing and Urban Development.

D. On June 16, 2026, the City Council approved HOME funding recommendations for the China Clipper Rental Rehabilitation Project ("Project") in the amount of Two Hundred Eighteen Thousand Nine Hundred Twenty Five Dollars (\$218,925).

E. Pursuant to the Grant Agreement, as defined in Section 1.1(o), the City will provide to the Grantee Two Hundred Eighteen Thousand Nine Hundred Twenty Five Dollars (\$218,925) of HOME Funds (the "**City Grant**") for certain

expenses associated with the rehabilitation of the Property for very low-income households in the City of Alameda.

F. The City has agreed to make the City Grant to Grantee on the condition that the Property be maintained and operated in accordance with restrictions concerning affordability, operation, and maintenance of the Property, as specified in this Agreement and the Grant Agreement.

G. Concurrently with the execution of this Agreement, the Grantee is executing and recording an Affordable Housing Agreement (China Clipper Rental Rehabilitation) ("**Affordable Housing Agreement**") to ensure that the Project shall remain affordable to individuals earning less than eighty percent (80 %) of area median income for a period which commences on the Effective date and expires on December 31, 2125.

H. The period of affordability for the HOME Unit(s) required pursuant to the HOME Regulations is twenty (20) years. Following expiration of the HOME Affordability Period, the HOME Unit(s) will no longer be restricted pursuant to the HOME Regulations. The continued affordability of the Project shall be preserved by the Affordable Housing Agreement for a period longer than provided under this Agreement.

I. In consideration of receipt of the City Grant, Grantee has further agreed to observe all the terms and conditions set forth below.

J. In order to ensure that the entire Property will be used and operated in accordance with these conditions and restrictions, City and Grantee wish to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, incorporated herein by this reference, and the covenants and promises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the City and Grantee hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions.

When used in this Agreement, the following terms shall 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 defined under the Section 8 Housing Assistance Payment programs in 24 CFR 5.609 and calculated pursuant to 24 CFR 5.611, and as further referenced in 24 CFR 92.203(b)(1). Adjusted income includes income from all persons in the household, including nonrelated individuals.

(c) "**Agreement**" means this Regulatory Agreement and Declaration of Restrictive Covenants.

(d) "**Grantee**" means HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a municipal corporation, and its authorized representatives, assigns, transferees, or successors-in-interest thereto.

(e) "**City Grant**" has the meaning set forth in Recital E.

(f) "**High HOME Rent**" means a monthly Rent amount not exceeding the maximum rent published by HUD for a Low Income Household for the applicable bedroom size as set forth in 24 CFR 92.252(a).

(g) "**HOME-Assisted Unit(s)**" means the three HOME Units in the Property restricted by the City pursuant to this Agreement.

(h) "**HOME**" means the Home Investment Partnerships Act Program pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990 (42 USC 12705 *et seq.*) as amended.

(i) "**HOME Regulations**" means the regulations governing the use of the HOME Funds as set forth in 24 CFR Part 92.

(j) "**HOME Affordability Period**" means the period beginning on the date of this Agreement and ending on the twentieth (20th) anniversary of the date of this Agreement.

(k) "**HOME Term**" means the period beginning on the date of this Agreement and ending on June 30, 2083.

(l) "**HOME Unit(s)**" means the eleven (11) Units subject to the occupancy and rent restrictions set forth in Section 2.2 (a) and 2.3(b) below, which Unit are "floating" Units as defined in 24 C.F.R. 92.252(j).

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

(n) "**Grant Agreement**" means the City Grant Contract for Use of HOME Funds.

(o) "**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 CFR 92.252(b).

(p) "**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 as set forth in 24 CFR 92.2. An individual who is a student that is ineligible to receive Section 8 assistance under 24 C.F.R. 5.612, and thus ineligible to receive any type of HOME assistance, shall not qualify as a Low Income Household.

(q) "**Median Income**" means the median gross yearly income, adjusted for Actual Household Size as specified herein, in the County of Alameda, 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 City shall provide the Grantee with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by HUD.

(r) "**Property**" has the meaning set forth in Recital B.

(s) "**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 the Grantee which are required of all Tenants which meet the requirements under 24 C.F.R. 92.214(b)(3), other than security deposits; an allowance for the cost of an adequate level of service for utilities paid by the Tenant in accordance with Section 24 CFR 92.525(d), 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 the Grantee, and paid by the Tenant.

(t) **"TCAC"** means the California Tax Credit Allocation Committee.

(u) **"TCAC 50% Rent"** means the maximum rent published by TCAC for a "50% Income Household" in Alameda County for the applicable bedroom size.

(v) **"TCAC 60% Rent"** means the maximum rent published by TCAC for a "60% Income Household" in Alameda County for the applicable bedroom size.

(w) **"Tenant"** means a household legally occupying a Unit.

(x) **"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 twentieth (20th) anniversary of the date upon which construction is completed. The Term will expire on June 30, 2081.

(y) **"Unit"** means one of the twenty-six (26) rental units included in the Property.

(z) **"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. An individual who is a student that is ineligible to receive Section 8 assistance under 24 C.F.R. 5.612, and thus ineligible to receive any type of HOME assistance, shall not qualify as a Very Low Income Household.

ARTICLE 2 AFFORDABILITY AND OCCUPANCY COVENANTS

Section 2.1 Occupancy Requirements.

(a) HOME Unit(s). Grantee shall rent the eleven (11) HOME Units to, and shall ensure that this HOME Unit is occupied by, or, if vacant,

available for occupancy by, Low Income Households. The HOME Unit will be a "floating" unit as that term is defined in 24 CFR 92.252(j). Following expiration of the HOME Affordability Period, the HOME Unit will no longer be restricted pursuant to the HOME Regulations.

Section 2.2 Allowable Rent.

(a) HOME Unit Rent – Home Affordability Period. During the HOME Affordability Period, subject to the provisions of Section 2.3 below, the Rent paid by Tenants of the HOME Unit shall not exceed the High HOME Rent for the applicable bedroom size.

(b) No Additional Fees. The Grantee shall not charge any fee, other than Rent, to any resident of the HOME Unit for any housing or other services provided by Grantee.

Section 2.3 Rent Increases; Increased Income of Tenants.

(a) Rent Increases. Initial Rents and subsequent Rents for all HOME-Assisted Units are subject to City approval and the HOME Units are subject to the HOME Regulations. All rent increases for all HOME-Assisted Units are also subject to City approval. Rent may not be increased more often than once every twelve (12) months and by no more than five percent (5%) per year on a cumulative basis, provided, however, if the Rent required to be charged to Tenants by Section 2.3(c) results in a greater than five percent (5%) annual increase, Grantee shall charge the Rent required by Section 2.3(c). Grantee will provide each Tenant with at least sixty (60) days' written notice of any increase in Rent applicable to such Tenant.

(b) HOME Unit During HOME Affordability Period - Increased Household Income above Very Low Household Income but at or below Low Income Household Income. Subject to Section 2.3(c) below, in the event that, upon recertification of the household income of a Tenant of a HOME Unit, the Grantee determines that the Tenant no longer qualifies as a Very Low Income Household, but does qualify as a Low Income Household, the Tenant may continue to occupy the Unit but Grantee may increase the Tenant's rent to the High HOME Rent. The Grantee shall then rent the next available Unit to a Very Low Income Household, at a Rent not exceeding the maximum Rent specified in Section 2.2(a), or re-designate another Unit in the Property with a Very Low Income Household as a HOME Unit, to comply with the requirements of Section 2.1(a) above. Upon renting the next available Unit in accordance with Section 2.1(a) or re-designating another Unit in the Property with a Very Low Income Household as a HOME

Unit, the Unit with the over-income Tenant will no longer be considered a HOME Unit.

(c) HOME Unit During HOME Affordability Period - Non-Qualifying Household. If, upon recertification of the household income of a Tenant of a HOME Unit, the Grantee determines that a Very Low Income Household or a Low Income Household has an Adjusted Income exceeding the maximum qualifying income for a Low Income Household under 24 C.F.R. 92.252(i)(2) regarding low income housing tax credit requirements, such Tenant shall be permitted to continue occupying the Unit. Upon expiration of the Tenant's lease and upon sixty (60) days' written notice, Grantee may increase the Rent to the lesser of one-twelfth (1/12th) of thirty percent (30%) of the actual Adjusted Income of the Tenant, or fair market rent (subject to 24 C.F.R. 92.252(i)(2) regarding low income housing tax credit requirements), and the Grantee shall rent the next available Unit to a Very Low or Low Income Household at a Rent not exceeding the maximum Rent specified in Section 2.2 (a), or re-designate another Unit in the Property with a Very Low or Low Income Household as a HOME Unit, to meet the requirements of Section 2.1 (a) above. Upon renting the next available Unit in accordance with Section 2.1 (a) or re-designating another Unit in the Property with a Very Low or Low Income Household as a HOME Unit, the Unit with the Non-Qualifying Household will no longer be considered a HOME Unit.

(d) Termination of Occupancy. Upon termination of occupancy of a HOME-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 such Unit will be redetermined to meet the occupancy requirements of Section 2.1 (a) above.

Section 2.4 Income and Rent Calculations.

In the event that HUD or TCAC no longer publishes the income and rent information that this Agreement contemplates that HUD or TCAC, respectively, will publish, the City shall provide the Grantee with other income and rent determinations which are reasonably similar with respect to methods of calculation to those previously published by HUD or TCAC, as applicable.

Section 2.5 Disabled Persons Occupancy; Compliance with Accessibility Requirements.

(a) The Property shall 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(29 U.S.C. 794) ("Section 504"); (iv) the United States Fair Housing Act, as amended; and (v) any other applicable law or regulation (including the Americans With Disabilities Act, to the extent applicable to the Property).

(b) Grantee shall complete construction at the Property in compliance with all applicable federal and state disabled persons accessibility requirements, including, but not limited to, the Federal Fair Housing Act (including but not limited to Covered Multifamily Dwellings, as defined in 24 CFR 100.201 and the design and construction requirements at 24 CFR 100.205); Section 504 and its implementing regulations (24 CFR 8); Title II and Title III of the Americans with Disabilities Act of 1990 (implemented at 28 CFR parts 35 and 36), as applicable; and Title 24 of the California Code of Regulations.

(c) Grantee agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the City) the City, and its board members, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments and liens arising out of Grantee's failure to comply with applicable legal requirements related to housing for persons with disabilities. The provisions of this subsection shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect.

ARTICLE 3 INCOME CERTIFICATION AND REPORTING

Section 3.1 Income Certification.

Borrower will obtain, complete and maintain on file income certifications from each Tenant renting any of the HOME-Assisted Units annually. 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 (2) or more of the following steps as a part of the verification process: (a) obtain a pay stub for the most recent two months of 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 verifying employment for the last two months; (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. Grantee shall also complete and/or have the

Tenants of the City-Assisted Units complete and sign the "Income Computation and Certification" and the "Owner's Certification of Household Income" both of which are attached hereto as Exhibit B and/or any other forms related to Tenants' income provided to Grantee by the City or that provide income information that is sufficient to determine an applicant's income as required by this Section. Copies of Tenant income certifications shall be made available to the City upon request.

Section 3.2 Reporting Requirements.

Upon completion of the construction, Grantee shall submit to the City annual reports in a form approved by the City, no later than one hundred twenty (120) days after the end of Grantee's fiscal year. The reports shall contain such information as the City may require, including, but not limited to, the following:

(a) A statement of the fiscal condition of the Property, including a financial statement indicating surpluses or deficits in operating accounts for the period covered, a detailed itemized listing of income and expenses, and the amounts of any reserves. The report due after the end of each fiscal year shall contain an audited version of this statement. Such audit shall be prepared in accordance with the requirements of the City and certified at the Grantee's expense by an independent Certified Public Accountant licensed by the State of California. The Grantee shall also follow audit requirements of the Single Audit Act and OMB Circulars A-122 and 110 as set forth in 24 CFR 92.506.

(b) The substantial physical defects in the Property, if any, including a description of any major repair or maintenance work undertaken in the reporting period.

(c) The occupancy at the Property indicating:

(1) A listing of current Tenants' names, income levels, rent charged and paid, move-in dates, and the race and ethnic groups of Tenants;

(2) The number of Tenants receiving services for each year;
and

(3) General management performance, including Tenant relations and other relevant information.

Upon request of the City, Grantee shall furnish, within fifteen (15) business days, copies of all Tenant agreements for the HOME-Assisted Units. Within fifteen (15) business days after receipt of a written request from the City, Grantee shall

also submit any other information or completed forms requested by the City in order to comply with reporting requirements of HUD, (provided, however, that the Grantee shall in no event be obligated to provide any information that it cannot legally obtain as a housing provider), the State of California, or any other government entity or lender to Grantee.

Section 3.3 Additional Information.

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

Section 3.4 Records.

Grantee shall maintain complete, accurate and current records pertaining to the Property, and shall permit any duly authorized representative of the City to inspect records, including records pertaining to income and household size of Tenants. All Tenant lists, applications and waiting lists relating to the Property shall at all times be kept separate and identifiable from any other business of Grantee and shall be maintained as required by the City, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the City. Grantee shall retain copies of all materials obtained or produced with respect to occupancy of the HOME Units for a period of at least five (5) years.

Section 3.5 HOME Record Requirements.

For the period of the HOME Affordability Period, all records maintained by Grantee pursuant to Section 3.2 and 3.4 above shall be (i) maintained in compliance with all applicable HUD records and accounting requirements, and (ii) open 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 Property inspections shall be subject to HUD inspection for five (5) years after expiration of the HOME Affordability Period. Grantee is subject to the audit requirements set forth in 24 CFR 92.506 during the HOME Term.

Section 3.6 On-site Inspection.

The City shall have the right to perform an on-site inspection of the Property when deemed necessary by the City, in any event at least one (1) time per year upon reasonable notice to the Grantee. Grantee agrees to cooperate in such inspection.

ARTICLE 4
OPERATION OF THE PROPERTY

Section 4.1 Residential Use.

The Property shall be operated only for residential use. No part of the Property shall be operated as transient housing.

Section 4.2 Compliance with Grant Agreement and Program Requirements.

Grantee's actions with respect to the Property shall at all times be in full conformity with: (i) all applicable requirements of the Grant Agreement; (ii) all requirements imposed on projects assisted with HOME Funds as contained in 42 U.S.C. Section 12701, *et seq.*, 24 C.F.R. Part 92, and other implementing rules and regulations, as such may be amended or supplemented from time to time, and (iii) any other regulatory requirements imposed on Grantee.

Section 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 line 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.

Section 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) or 236, without the prior written consent of the City.

Section 4.5 Notice of Operations.

Grantee shall promptly notify the City upon Grantee's discovery that Grantee's rental income and other subsidies are insufficient to pay for any or all operating expenses incurred by the Grantee in connection with the operations of the Property.

Section 4.6 Tenant Selection Plan.

Grantee shall not make material modifications to its tenant selection plan without the prior written approval of the City, which approval shall not be unreasonably withheld.

ARTICLE 5
PROPERTY MANAGEMENT AND MAINTENANCE

Section 5.1 Management Responsibilities.

The Grantee is responsible for all management functions with respect to the Property, including, without limitation, the selection of Tenants in accordance with the requirements of 24 C.F.R. 92.253(d), 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 City shall have no responsibility over management of the Property. The Grantee shall retain a professional property management company approved by the City in its reasonable discretion to perform its management duties hereunder. A resident manager shall also be required.

Section 5.2 Management Agent.

Grantee shall cause the Property to be managed by an experienced management agent reasonably acceptable to the City, with demonstrated ability to operate residential facilities like the Property in a manner that will provide decent, safe, and sanitary housing (as approved, the "Management Agent"). The Grantee shall submit to the City's the identity of the Management Agent.

Section 5.3 Periodic Performance Review.

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

Section 5.4 Replacement of Management Agent.

If, as a result of a periodic review, the City determines in its reasonable judgment that the Property is not being operated and managed in accordance with any of the material requirements and standards of this Agreement, the City

shall deliver notice to Grantee of its intention to cause replacement of the Management Agent, including the reasons therefor. Within fifteen (15) days after receipt by Grantee of such written notice, City staff and the Grantee shall meet in good faith to consider methods for improving the financial and operating status of the Property, including, without limitation, replacement of the Management Agent.

If, after such meeting, City staff recommends in writing the replacement of the Management Agent, Grantee shall promptly dismiss the 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 City pursuant to Section 5.2 above.

Any contract for the operation or management of the Property entered into by Grantee 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 shall constitute a default under this Agreement, and the City may enforce this provision through legal proceedings as specified in Section 6.7 below.

Section 5.5 Approval of Management Policies.

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

Section 5.6 Property Maintenance.

The Grantee agrees, for the entire Term of this 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:

The City places prime importance on quality maintenance to protect its investment and to ensure that all City and HOME-assisted affordable housing projects within the County are not allowed to deteriorate due to below-average maintenance. Normal wear and tear of the Property will be acceptable to the City assuming Grantee agrees to provide all necessary improvements to assure

the Property is maintained in good condition. 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) business days after written notice from City with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the City with respect to landscaping and building improvements, then the City, 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, the City 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 the City and/or costs of such cure, which amount shall be promptly paid by the Grantee to the City upon demand.

Section 5.7 Asset Management.

The Borrower is responsible for all asset management functions with respect to the Property, including, without limitation, the oversight of the Management Agent, maintaining accurate and current books and records for the Property, and promptly paying costs incurred in connection with the Property. The City shall have no responsibility over asset management of the Property.

ARTICLE 6 MISCELLANEOUS

Section 6.1 Leasing Units.

(a) Lease Provisions. In leasing the Units, Grantee shall use a form of Tenant lease approved by the City. The form of Tenant lease shall comply with all requirements of this Agreement and the Grant Agreement, and shall, among other matters:

(1) provide for termination of the lease and consent by the Tenant to immediate eviction for failure: (i) to provide any information required under this 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 Property in accordance with the standards set forth in this Agreement, and (ii) to qualify as a Very Low Income Household as a result of any

material misrepresentation made by such Tenant with respect to the income computation.

(2) be for an initial term of not less than one (1) year, unless by mutual agreement between the Tenant and Grantee, 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 Grantee and the Tenant. Notwithstanding the above, any rent increases shall be subject to the requirements of Section 2.3.

(3) include a provision which shall require a Tenant who is residing in a Unit made accessible pursuant to Section 2.5 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.

(4) not contain any provision which is prohibited by 24 CFR Section 92.253(b) and any amendments thereto.

(b) HOME Lease Termination. Any termination of a lease or refusal to renew a lease for a HOME Unit must be in conformance with 24 CFR 92.253(c) and must be preceded by not less than sixty (60) days' written notice to the Tenant by the Grantee specifying the grounds for the action.

Section 6.2 Nondiscrimination.

(a) 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 or selling the Units, except to the extent that the Units are required to be leased to income eligible households pursuant to this Agreement. The Grantee herein covenants by and for Grantee, assigns, and all persons claiming under or through the Grantee, that 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.

(b) The Grantee will 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. The Grantee shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective Tenants, nor shall the Grantee apply or permit the application of management policies or lease provisions with respect to the Property which have the effect of precluding occupancy of units by such prospective Tenants.

Section 6.3 Term; HOME Affordability Period.

The provisions of this Agreement shall apply to the Property for the entire Term, even if the entire City Grant is paid in full prior to the end of the Term. This 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 the City. The City makes the City Grant on the condition, and in consideration of, this provision, and would not do so otherwise. The HOME Units shall be restricted by this Agreement pursuant to the HOME Regulations for the entire HOME Affordability Period.

Section 6.4 Compliance with Grant Agreement and HOME Program Requirements.

(a) Grantee's actions with respect to the Property shall at all times be in full conformity with:

- (1) all requirements of the Grant Agreement;
- (2) all requirements imposed on projects assisted under the HOME Program;

(b) Grantee shall ensure that the Property meets the Housing Quality Standards pursuant to 24 CFR 92.251 throughout the Term.

Section 6.5 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 (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 City, and (iv) a statement that a public hearing may be held by the City 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 Director of the Housing Authority of the City of Alameda's Executive Director.

(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), which would include the Director of the Housing Authority of the City of Alameda's Housing and Human Services Department) 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 Property to "qualified entities" (as defined in California Government Code Section 65863.11(d)), if the Property 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 Property.

Section 6.6 Covenants to Run with the Land.

The City and Grantee hereby declare their express intent that the covenants and restrictions set forth in this 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 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 the City expressly releases such conveyed portion of the Property from the requirements of this Agreement.

Section 6.7 Enforcement by the City.

If Grantee fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the City 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, the City shall have the right to enforce this Agreement by any or all of the following actions, or any other remedy provided by law, provided, however, Grantee's Limited Partner shall

have the opportunity, but not the obligation, to cure a default hereunder:

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

(b) Remedies Provided Under Grant Agreement. The City may exercise any other remedy provided under the Grant Agreement.

Section 6.8 Attorneys' Fees and Costs.

In the event of any litigation, including administrative proceedings, relating to this Agreement, including but not limited to any action or suit by any party, assignee or beneficiary against any other party, beneficiary or assignee, to enforce, interpret or seek relief from any provision or obligation arising out of this Agreement, the parties and litigants shall bear their own attorney's fees and costs. No party or litigant shall be entitled to recover any attorneys' fees or costs from any other party or litigant, regardless of which party or litigant might prevail.

Section 6.9 Recording and Filing.

The City and Grantee shall cause this Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the County of Alameda.

Section 6.10 Governing Law.

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

Section 6.11 Waiver of Requirements.

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

Section 6.12 Amendments.

This 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 the County of Alameda.

Section 6.13 Notices.

Formal notices, demands, and communications between the Parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

City:

City of Alameda
Housing and Human Services
950 West Mall Square, Suite 205
Alameda, California 94501-7558
Attention: Housing and Human Services Manager

Grantee:

Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attention: Executive Director

With a copy to:

Gubb & Barshay LLP
235 Montgomery Street, Suite 1110
San Francisco, CA 94104
Attention: Henry Loh II

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 6.14 Severability.

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

Section 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.

[Signatures on following page.]

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

CITY:

**CITY OF ALAMEDA,
a municipal corporation**

Adam Politzer
Interim City Manager

Date: _____

[SIGNATURE MUST BE NOTARIZED]

Recommended for approval:

Amy Wooldridge
Assistant City Manager

Approved as to form:

Len Aslanian
Assistant City Attorney

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

GRANTEE:

Housing Authority of the City of Alameda,
a municipal corporation

By: _____
Vanessa Cooper, President
[SIGNATURE MUST BE NOTARIZED]

EXHIBIT A

LEGAL DESCRIPTION

The land referred to is situated in the County of Alameda, City of Alameda, State of California, and is described as follows:

EXHIBIT B

I, the Undersigned, certify that I have read and answered fully, and truthfully each of the following questions for all persons in the household who are to occupy a room in this house for which application is made.

| <u>Occupant's Name</u> | <u>Last Four Digits of Social Security #</u> | <u>Age</u> | <u>Place of Employment</u> | <u>Annual Income</u> |
|------------------------|--|------------|----------------------------|----------------------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| | | | TOTAL: | |

The total anticipated annual household income* for the twelve (12) month period beginning this date (the sum of the final column): \$

_____.

Signed: _____ Date: _____
Head of Household

* The anticipated annual Income as determined by Attachment A.

Owner's Certification of Household Income

Household Name _____

I certify, as Owner/Management Agent for _____
that I have verified this Household's Income by using the following:

- 1. Tax returns _____
- 2. Place of employment verification _____
- 3. Pay stubs _____
- 4. Notarized statement from lessee _____
- 5. Other (please describe) _____

Owner/Management Agent

Date