

LOAN AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND WEHOPE

This Agreement ("Agreement") is entered into as of the Effective Date (defined herein) by and between the County of San Mateo, a political subdivision of the state of California (the "County"), and WeHope, a California nonprofit public benefit corporation ("Borrower"). County and Borrower may be collectively referred to herein as "Parties" and individually as "Party".

* * *

WHEREAS, Borrower is a non-profit organization that operates shelter facilities and provides services in East Palo Alto, in the County of San Mateo, including through provision of mobile homeless services, emergency food and shelter, and job training and life skills programs; and

WHEREAS, Borrower's mission is to help people become healthy, employed and housed; and

WHEREAS, Borrower's services provide public benefits and services for vulnerable children, adults, and families in San Mateo County; and

WHEREAS, among Borrower's services to the community, Borrower owns and operates a 100-bed shelter facility serving individuals experiencing or at risk of homelessness located at 1836 and 1854 Bay Road, East Palo Alto, CA 94303, as more particularly described on **Exhibit A** (the "Property"), and receives remuneration for providing such services pursuant to the terms and conditions of a separate agreement with the County; and

WHEREAS, in 2018, pursuant to that certain Agreement Between the County of San Mateo and WEHOPE dba PROJECT WEHOPE, dated September 28, 2018 (the "2018 Agreement"), the County provided a loan in the amount of \$490,673, which, together with funds from other sources, Borrower used to acquire and rehabilitate the Property; and

WHEREAS, pursuant to the 2018 Agreement, a Declaration of Restrictive Covenant ("Restrictive Covenant") was recorded on the Property as Instrument No. 2018-076948 requiring that the Property remain continuously available for emergency shelter purposes and to provide housing-focused case management to respond to clients' immediate and short-term service needs, which Restrictive Covenant shall remain in effect for a period of 30 years from permanent loan conversion as that term is defined in the loan agreement; and

WHEREAS, providing financial support for Borrower's shelter facilities and related operations on the Property are in furtherance of County's goals to support persons experiencing or at risk of homelessness in the County of San Mateo, are in the vital and best interests of the County of San Mateo and the welfare of its residents, and are in accordance with the public purposes and provisions of applicable federal, state, and local laws; and

WHEREAS, in furtherance of the County's efforts to facilitate the community's continued access to the public benefits and core services offered by Borrower, the Parties desire to enter into this Agreement by which the County will, subject to the terms and conditions set forth herein, loan funds to Borrower in the amount set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and benefits set forth herein, the sufficiency of which is hereby acknowledged, it is agreed by the Parties to this Agreement as follows:

1. Loan and Interest

- A. **Loan**. Subject to the terms and conditions specified herein and the Loan Documents (defined herein), the County shall loan to Borrower the principal amount of One Million Dollars and Zero Cents (\$1,000,000.00) (the "Loan") provided that (i) in no event shall the County's total fiscal obligation under this Agreement exceed the amount of the Loan; and (ii) Borrower shall only use the Loan for the Loan Purpose, as defined below.
- B. **Interest**. The outstanding principal balance of the County Loan shall accrue simple interest at the rate of three and eighty-five hundredths percent (3.85%) per annum.

2. Loan Purpose

The Parties agree that the proceeds of the Loan shall be used solely for lawful purposes, including payment of operating expenses for the emergency shelter facility located on the Property, capital expenses to improve the Property and improvements thereon, discharge or prepayment of existing indebtedness which encumbers the Property or other such lawful purposes ("Loan Purpose"). The Loan shall not be used for any other purpose without the prior written consent of the County.

3. Promissory Note

Borrower's obligation to repay the Loan shall be evidenced by that certain Promissory Note (the "Note") in the form attached hereto as **Exhibit B**, and to which terms and conditions Borrower agrees. Borrower agrees to execute and deliver the Note to the County in favor of the County concurrently with the execution of this Agreement.

4. Deed of Trust

Borrower agrees to that certain Deed of Trust and Assignment of Rents in favor of the County in the form attached hereto as **Exhibit C** that will encumber the Property to secure repayment of the Loan and performance of the covenants of the Loan and the Note. Borrower agrees to execute and deliver the Deed of Trust to the County in favor of the County concurrently with the execution of this Agreement and hereby authorizes the County to record it as a lien against the Property.

5. Loan Disbursement

- A. Subject to Borrower's compliance with the terms and conditions of the Agreement, Note, and the Deed of Trust (together, the "Loan Documents") the County shall disburse the Loan amount to Borrower in a single, one-time lumpsum payment via wire instructions provided by Borrower on the "Closing Date", as specified in Section 5(B).
- B. The Closing Date shall mean the date that occurs within three (3) days following the date on which all conditions precedent set forth herein and as follows shall have been satisfied as determined in the County's sole and absolute discretion:
- i. Borrower shall have furnished the County with evidence of the insurance coverage meeting the requirements set forth in Section 11 of this Agreement and in the Deed of Trust.
 - ii. Borrower shall have executed and delivered to the County the Note and the Deed of Trust, and any other documents and instruments required to be executed and delivered, all in a form and substance satisfactory to the County.

- iii. The Deed of Trust shall have been recorded against the Property as a lien.
- iv. All representations and warranties of the Borrower contained in any part of the Loan Documents shall be true and correct in all material respects.

6. Borrower's Representations and Warranties

Borrower represents and warrants the following:

- A. Borrower shall maintain nonprofit benefit corporation status under California law and shall use the Property for purposes consistent with such status during the term of this Agreement.
- B. Borrower agrees that at no time will any Loan funds be used: (i) to attempt to influence the outcome of any specific public election, or to participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office; (ii) to attempt to influence the selection, nomination, election or appointment of any individual to any public office or office in a political organization within the meaning of Internal Revenue Code Section 527(e)(2); and/or (iii) for any activity that is in violation of federal, state, or local law or any effort to induce or encourage violations of law or public policy.
- C. Borrower shall ensure that the Loan is expended in compliance with applicable law and regulations.
- D. Borrower has full power, authority, and legal right to execute and deliver this Agreement and all other agreements, documents, and instruments contemplated hereby or thereby and to incur and perform its obligations hereunder and thereunder.
- E. Borrower is not in default under or in violation of any indenture or agreement to which it is a party or by which it is bound, or any order, regulation, ruling, or requirement of a court or other public body or authority. No creditor has given Borrower a notice or threatened to give it any notice of default under any material agreement. No event has occurred and is continuing and no condition exists that would constitute an event of default or an event which, with the lapse of time or the giving of notice, or both, would become an event of default.
- F. No action, suit or proceeding (and to its knowledge, no investigation) is pending against Borrower before any court or administrative agency, (i) the outcome of which, by itself or taken together with other such litigation, would be reasonably expected to have a material adverse effect on Borrower's business, assets, operations, or financial condition, or (ii) which purports to affect the legality, enforceability, or validity of this Agreement.
- G. Borrower is in material compliance with all federal, state and local laws, rules, regulations, ordinances, and orders applicable to it, including, without limitation, all applicable health and safety, environmental, and building and zoning laws.
- H. Borrower will submit an IRS W-9 Form to the County and such other documentation as reasonably requested by the County to facilitate disbursement of the Loan.

Borrower agrees to provide records sufficient to substantiate its representations and warranties upon the County's request. Borrower understands and agrees that the foregoing representations and warranties are material to the County's approval of the Loan.

7. Reporting Requirements

Borrower shall provide the County with annual reports, submitted electronically on Borrower's official letterhead to the attention of the person identified by the County in Section 14 of this Agreement, or their designee(s), providing: (a) documentation demonstrating that Borrower has discharged or otherwise prepaid Borrower has maintained its nonprofit benefit corporation status under California law and is using the Property for purposes consistent with such status; and (b) any further reporting reasonably requested by the County to effectuate the terms and conditions of the Agreement.

8. Term & Termination

Subject to compliance with all terms and conditions, the term of this Agreement shall commence on the Effective Date for a period of fifteen (15) years, provided that the term shall be automatically extended to remain in effect until full and irrevocable repayment of the Note. This Agreement will not otherwise automatically renew, nor shall it create any reliance on the possibility of future loans.

County may suspend and/or terminate this Agreement if Borrower fails to comply with the terms of this Agreement (including breach of any representation and warranty provided herein) and may, in its sole discretion, withhold or cancel pending and future disbursements of funds and/or require Borrower to return some or all funds disbursed under this Agreement.

Notwithstanding anything to the contrary in this Agreement, the County's obligation to disburse funds under this Agreement is subject to and contingent upon appropriation of funds by the Board of Supervisors of the County. If such funding and/or appropriations are not forthcoming, or are otherwise limited for any reason, the County may immediately terminate or modify this Agreement without penalty. Such termination shall be effective by delivering to Borrower a written notice of termination specifying the termination date.

9. Acceleration of Note

In addition to the grounds for acceleration set forth in the Note, in the event that Borrower breaches any of the terms and conditions of the Loan Documents, Borrower shall be in default of the terms and conditions of the Note and the remaining unpaid principal balance and any accrued interest shall become due immediately at the option of the County.

10. Non-Liability, Duty to Defend, Indemnify and Hold Harmless

County shall not be liable for damage to the Property or to any property of Borrower located on the Property or to any damage or injury of any kind alleged by Borrower or any third party in relation to the Property, including any damage or injury alleged to be caused by a dangerous condition on the Property.

Borrower shall indemnify and save harmless County and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services funded under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person, including as to Borrower or its respective employees/officers/agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any sanctions, penalties, or claims of damages resulting from the Borrower's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County and/or its officers, agents, employees, or servants. However, Borrower's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Borrower to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

11. Insurance

a. General Requirements

Borrower shall obtain all insurance required under this Section and in the Deed of Trust and obtain approval by County's Risk Management, and Borrower shall use diligence to obtain such insurance and to obtain such approval. Borrower shall furnish County with certificates of insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending their coverage to include the contractual liability assumed by Borrower pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to County of any pending change in the limits of liability or of any cancellation or modification of the policy.

b. Workers' Compensation and Employer's Liability Insurance

Borrower shall have in effect during the term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Borrower certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work funded under this Agreement.

c. Liability Insurance

Borrower shall maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Borrower and all of its employees/officers/agents while performing work at or on the Property from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Borrower's operations under this Agreement, whether such operations be by Borrower, any contractor, anyone directly or indirectly employed by them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

(A) Comprehensive General Liability..... \$1,000,000

(B) Motor Vehicle Liability Insurance..... \$1,000,000

(C) Professional Liability..... \$1,000,000

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

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further payment under this Agreement.

12. Assignability and Subcontracting

Borrower shall not assign this Agreement or any portion of it to a third party. Any such assignment or subcontract without County's prior written consent shall give County the right to automatically and immediately terminate this Agreement without penalty or advance notice and the County shall have the right to a refund of all funds disbursed under this Agreement.

13. Compliance With Laws

Borrower agrees that its activities funded under this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, and provisions pertaining to confidentiality of records. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement. Borrower will timely and accurately complete, sign, and submit all necessary documentation of compliance.

14. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of County, to:	In the case of Borrower, to:
Robert Manchia Chief Financial Officer County of San Mateo 500 County Center, 5th Floor Redwood City, CA 94063	Pastor Paul Bains President/Founder WeHOPE 1854 Bay Rd. East Palo Alto, California 94303

650-363-4597 Rmanchia@smcgov.org With copy to: John D. Nibbelin, Esq. San Mateo County Attorney 500 County Center, 4 th Floor Redwood City, CA 94063 jnibbelin@smcgov.org	650-207-1998 pbains7@wehope.org With copy to:
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The Parties may change their contact information in this section by giving the other Party written notice of the change in the manner permitted under this section.

15. Non-Discrimination and Other Requirements

- A. **General Non-discrimination.** No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.
- B. **Equal Employment Opportunity.** Borrower shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Borrower's equal employment policies shall be made available to County upon request.
- C. **Section 504 of the Rehabilitation Act of 1973.** Borrower shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.
- D. **Compliance with County's Equal Benefits Ordinance.** Borrower shall comply with all laws relating to the provision of benefits to its employees and their spouses or domestic partners, including, but not limited to, such laws prohibiting discrimination in the provision of such benefits on the basis that the spouse or domestic partner of the Borrower's employee is of the same or opposite sex as the employee.
- E. **Discrimination Against Individuals with Disabilities.** The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Borrower and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.
- F. **History of Discrimination.** Borrower certifies that no finding of discrimination has been issued in the past 365 days against Borrower by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other investigative entity. If any

finding(s) of discrimination have been issued against Borrower within the past 365 days by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or other investigative entity, Borrower shall provide County with a written explanation of the outcome(s) or remedy for the discrimination prior to execution of this Agreement. Failure to comply with this Section shall constitute a material breach of this Agreement and subjects the Agreement to immediate termination at the sole option of the County.

- G. **Reporting; Violation of Non-discrimination Provisions.** Borrower shall also report to the County the filing by any person in any court any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation of allegations of discrimination within seventy-five (75) days of such filing, provided that within such seventy-five (75) days such entity has not notified contractor that such charges are dismissed or otherwise unfounded. Such notification to County shall include a general description of the allegations and the nature of specific claims being asserted. Borrower shall provide County with a statement regarding how it responded to the allegations within sixty (60) days of its response and shall update County regarding the nature of the final resolution of such allegations.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Borrower to penalties, to be determined by the County Executive Officer, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Borrower from being considered for or being awarded a County contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Executive Officer.

To effectuate the provisions of this Section, the County Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Borrower under this Agreement or any other agreement between Borrower and County.

16. Compliance with Living Wage Ordinance

As required by Chapter 2.88 of the San Mateo County Ordinance Code, Borrower certifies all contractor(s) and subcontractor(s) obligated under this contract shall fully comply with the provisions of the County of San Mateo Living Wage Ordinance, including, but not limited to, paying all Covered Employees the current Living Wage and providing notice to all Covered Employees and Subcontractors as required under the Ordinance.

17. Compliance with County Employee Jury Service Ordinance

Borrower shall comply with Chapter 2.85 of the County's Ordinance Code, which states that Borrower shall have and adhere to a written policy providing that its employees, to the extent they are full-time employees and live in San Mateo County, shall receive from the Borrower, on an annual basis, no fewer than five days of regular pay for jury service in San Mateo County, with jury pay being provided only for each day of actual jury service. The policy may provide that such employees deposit any fees received for such jury service with Borrower or that the Borrower may deduct from an employee's regular pay the fees received for jury service in San Mateo County. By signing this

Agreement, Borrower certifies that it has and adheres to a policy consistent with Chapter 2.85. For purposes of this Section, if Borrower has no employees in San Mateo County, it is sufficient for Borrower to provide the following written statement to County: "For purposes of San Mateo County's jury service ordinance, Borrower certifies that it has no full-time employees who live in San Mateo County. To the extent that it hires any such employees during the term of its Agreement with San Mateo County, Borrower shall adopt a policy that complies with Chapter 2.85 of the County's Ordinance Code." The requirements of Chapter 2.85 do not apply unless this Agreement's total value listed in the Section titled "Payments", exceeds two-hundred thousand dollars (\$200,000); Borrower acknowledges that Chapter 2.85's requirements will apply if this Agreement is amended such that its total value exceeds that threshold amount.

18. Retention of Records/Right to Monitor and Audit

- (a) Borrower shall maintain all required records relating to this Agreement for five (5) years after County makes final payment and all other pending matters are closed, and Borrower shall be subject to the examination and/or audit by County, a Federal grantor agency, and the State of California.
- (b) Borrower shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by County.
- (c) Borrower agrees upon reasonable notice to provide to County, to any Federal or State department having monitoring or review authority, to County's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement.

19. Merger Clause/Amendments

The Agreement, including any exhibits to the Agreement and incorporated by reference and including the Loan Documents, constitutes the sole Agreement of the parties to the Agreement pertaining to the subject matter hereof and correctly states the rights, duties, and obligations of each party as of the Agreement's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of the Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any exhibit and/or attachment to the Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the Parties pertaining to the subject matter hereof are superseded by this Agreement. All subsequent modifications or amendments shall be in writing and signed by the Parties.

20. Dispute Resolution/Governing Law

The validity of this Agreement (including the Loan Documents) and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California. In the event of breach or other dispute arising out of this Agreement, County reserves the right to pursue all remedies, legal, contractual,

administrative or otherwise against Borrower, including the recovery of any sanctions and penalties authorized by law.

21. Electronic Signature

The Parties wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and County's Electronic Signature Administrative Memo, except as may be otherwise required in connection with recording requirements for the Note and the Deed of Trust. Any party to this Agreement may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

22. Payment of Permits/Licenses

Borrower bears responsibility to obtain any license, permit, or approval required from any agency for activity to be funded under this Agreement prior to commencement of said work/services. Failure to do so will result in forfeit of any right to reimbursement under this Agreement.

23. Effective Date

This Agreement shall be effective upon the date that all signatories have executed the Agreement and approval of the Agreement by the County's Board of Supervisors (the "Effective Date").

* * *

THIS AGREEMENT IS NOT VALID UNTIL SIGNED BY ALL PARTIES. NO FUNDS WILL BE DISTRIBUTED UNTIL THIS DOCUMENT HAS BEEN SIGNED BY THE COUNTY'S AUTHORIZED DESIGNEE.

[Signatures on following page]

BORROWER WEHOPE

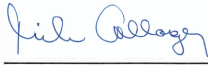


By:
WeHope

6/17/2025
Date

Paul J. Bains/President
Print Name/Title

COUNTY OF SAN MATEO

By:  Resolution No. 081299
County Executive Officer, San Mateo
County

Date: June 24, 2025

Print Name/Title: Michael P. Callagy, County Executive

EXHIBIT A
Legal Description

The land referred to is situated in the County of San Mateo, City of East Palo Alto, State of California, and is described as follows:

BEGINNING AT A POINT IN THE CENTERLINE OF BAY ROAD, DISTANT ALONG SAID CENTERLINE NORTH 65° 11' EAST 403.02 FEET FROM ITS INTERSECTION WITH THE EASTERLY RIGHT OF WAY LINE OF THE SPUR TRACK RUNNING TO THE LANDS NOW OR FORMERLY OF THE REED REDUCTION COMPANY, SAID POINT ALSO BEING THE NORTHEASTERLY CORNER OF THE LANDS DESCRIBED IN THE DEED FROM E. H. SCHUMACHER TO B. GRANGEY, DATED MAY 22, 1930 AND RECORDED MAY 27, 1930 IN BOOK 475, OFFICIAL RECORDS OF SAN MATEO COUNTY AT PAGE 213 (61440-B); THENCE FROM SAID POINT OF BEGINNING SOUTH 1° 29' EAST ALONG THE EASTERLY LINE OF THE LAST MENTIONED LANDS 322.00 FEET; THENCE NORTH 88° 31' EAST 225 FEET, MORE OR LESS TO THE EASTERLY LINE OF THE LANDS DESCRIBED IN PARCEL THREE OF THE DEED FROM SPENCER NEWTON PARMELEE TO R. C. WERSTED, INC., A CORPORATION, DATED NOVEMBER 23, 1962 AND RECORDED NOVEMBER 27, 1962 IN BOOK 4340, OFFICIAL RECORDS OF SAN MATEO COUNTY, PAGE 262 (36643-V); THENCE NORTH 1° 28' 07" WEST ALONG THE LAST MENTIONED LINE 221 FEET, MORE OR LESS, TO AN ANGLE POINT OF SAID EASTERLY LINE, SAID ANGLE POINT BEING THE POINT OF INTERSECTION OF THE COURSES DESIGNATED AS "NORTH 1° 27' 36" WEST 418.64 FEET" AND "SOUTH 88° 32' 24" WEST 3.50 FEET" IN THE LAST MENTIONED DEED; THENCE CONTINUING ALONG SAID EASTERLY LINE AND ALONG THE GENERAL NORTHERLY LINES OF SAID LANDS DESCRIBED IN PARCEL THREE OF THE LAST MENTIONED DEED (36643-V) AS FOLLOWS: SOUTH 88° 31' 53" WEST 3.50 FEET, NORTH 1° 28' 07" WEST 64.31 FEET AND SOUTH 65° 11' WEST 9.80 FEET TO THE MOST NORTHERLY CORNER OF THE LANDS DESCRIBED IN PARCEL TWO OF THE LAST MENTIONED DEED (36643-V); THENCE SOUTH 65° 11' WEST ALONG THE NORTHWESTERLY LINE OF SAID PARCEL TWO, 1.33 FEET TO THE EASTERLY LINE OF THE LANDS DESCRIBED IN PARCEL ONE OF THE LAST MENTIONED DEED (36643-V); THENCE NORTH 1° 28' 07" WEST ALONG THE MENTIONED LINE 130.70 FEET TO THE CENTERLINE OF SAID BAY ROAD; THENCE SOUTH 65° 11' WEST ALONG SAID CENTERLINE 229.12 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED BY R. C. WERSTED, INC., A CORPORATION TO THE COUNTY OF SAN MATEO, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, RECORDED AUGUST 14, 1979 IN REEL 7884, AT IMAGE 515, OFFICIAL RECORDS.

SAID ABOVE DESCRIBED LANDS WERE SET FORTH IN THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED ON DECEMBER 30, 1988 AS DOCUMENT NO. 88178596 OFFICIAL RECORDS OF SAN MATEO COUNTY, CALIFORNIA.

A.P. NO: 063-231-260
063-231-300

JPN 063 023 231 16 A
063 023 231 17 A

EXHIBIT B
FORM OF NOTE
[Attach]

EXHIBIT C
FORM OF DEED OF TRUST
[Attach]