

## Memorandum of Understanding

This Memorandum of Understanding (“MOU”) is dated as of July 24, 2023 (the “Effective Date”) and is entered into by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California (the “County”), EPISCOPAL COMMUNITY SERVICES OF SAN FRANCISCO, a nonprofit corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code (“ECS”) and 721 Airport LLC, a California limited liability company (the “Special Purpose Entity”) of which the sole member is ECS. The County, ECS, and the Special Purpose Entity are sometimes individually referred to herein as a “Party” and are sometimes collectively referred to herein as the “Parties.”

### R E C I T A L S

- A. The Homekey Program (“Homekey”), administered by the California Housing and Community Development Department (“State HCD”), provides funding for local public agencies and co-applicants to expand the inventory of housing for people experiencing homelessness or at risk of homelessness and impacted by COVID-19 (the “Target Population”) by acquiring, rehabilitating and operating hotels, motels and other properties as interim or permanent housing.
- B. On March 24, 2023, State HCD released a Notice of Funding Availability (“NOFA”) for a third round of Homekey funding (“Homekey 3.0”) which provided approximately \$435 million in Homekey funding derived from the Coronavirus State Fiscal Recovery Fund (CSFRF) created by the federal American Rescue Plan Act (ARPA) and \$301 million in State General Funds to assist local public agencies and co-applicants in the acquisition, rehabilitation, and operation of Homekey sites to provide interim and permanent housing for the Target Population.
- C. In anticipation of submitting an application in response to the Homekey 3.0 NOFA (“Application”), the County Department of Housing (“DOH”) in February 2023 implemented a Request for Proposals to identify, screen and select experienced co-applicants to apply with the County for Homekey 3.0 funding, and the County Department of Real Property (“DRP”) conducted site search and investigation of hotels and motels that may feasibly be converted to permanent rental housing for the Target Population with funding from the Homekey 3.0 program and County matching funds.
- D. As a result of these activities, DOH selected ECS to collaborate with the County in developing and submitting the Application to State HCD for Homekey 3.0 funds for a 45-unit hotel identified by DRP as appropriate for permanent rental housing for the Target Population, the Ramada Limited, 721 Airport Boulevard, South San Francisco, CA 94080, as described in the legal description included as Attachment A (the “Property”).
- E. Based on the plan for the Property to provide Twelve (12) units of housing for people experiencing Chronic Homelessness and Thirty-Three (33) units of housing for people experiencing homelessness or at risk of homelessness and further assuming that the County will provide sufficient matching funds as required by the NOFA, the Parties estimate that the Property is eligible for (1) a Homekey

capital award of Twelve Million One Hundred Thousand Dollars (\$12,100,000.00) and (2) a Homekey operating subsidy award of One Million Seven Hundred Ninety-Two Thousand Eight Hundred Dollars (\$1,792,800.00).

- F. The County has negotiated a Letter of Intent (“LOI”) to be succeeded by a Purchase and Sale Agreement (“PSA”) with the owner of the Property, subject to the success of the Application for Homekey 3.0 funding for the Property and other conditions.
- G. ECS has created the Special Purpose Entity to act as Co-Applicant with ECS and the County under the County’s Homekey 3.0 Application. If the Application is successful, the Special Purpose Entity intends to enter into a long-term lease with the County for the Property.
- H. The Parties now desire to enter into this MOU to document their agreement to apply for Homekey 3.0 funding for the Property and the roles and responsibilities of the Parties should State HCD award Homekey 3.0 funding for the acquisition, rehabilitation, and operation of the Property to create permanent rental housing for the Target Population on the terms proposed in the Application.

**NOW, THEREFORE, IT IS AGREED:**

1. Recitals and Attachments Incorporated by Reference. The Parties acknowledge the truth of the Recitals set forth above, which, together with Attachment A, are hereby incorporated by reference into this MOU.
2. Term of Agreement. Unless terminated by either of the Parties pursuant to Section 3 below, this MOU shall commence on the Effective Date and shall terminate on the earlier of (a) the Parties being notified in writing by State HCD that the Property was not selected for a Homekey 3.0 award, provided that by the written agreement of both Parties, this MOU may be extended for an additional twelve (12) months if State HCD announces that the Property has been placed on a waiting list to receive unused Homekey 3.0 funds; or (b) the Parties being notified by State HCD that the Property was selected for a Homekey 3.0 award and the Parties have negotiated and entered into the Project Documents required by Section 9 below. In any event, the maximum term of this MOU is three years from the Effective Date.
3. Termination of MOU.
  - 3.1 The County may terminate this MOU if ECS or the Special Purpose Entity should fail to comply with or perform any provisions of this MOU and such failure is not cured within fifteen (15) days after written notice from the County to ECS or if reasonable progress, in the sole discretion of the Director of the Department of Housing, is not being made in negotiations to finalize the Project Documents required under Section 9 below.
  - 3.2 ECS may terminate this MOU if the County should fail to comply with or perform any provisions of this MOU and such failure is not cured within fifteen (15) days after written notice from ECS to the County or if reasonable progress, in the sole discretion of the Executive Director of ECS, is not being made in negotiations to finalize the Project Documents required under Section 9 below.

3.3 Prior to terminating the MOU due to a lack of progress in negotiating the Project Documents, the Parties shall meet and confer in good faith to discuss approaches to resolve the issues in negotiating the Project Documents. Following such meeting, either Party may immediately terminate the Agreement in writing, without providing any further notice and opportunity to cure, upon concluding in their sole discretion that the meeting did not result in resolution of the issues in negotiating the Project Documents.

4. Agreement to Submit Homekey 3.0 Application and Accept a Homekey 3.0 Award. Each of the Parties has reviewed and approved the submission of the Application for Homekey 3.0 funding for the Property to State HCD and agrees to be bound by its terms. By executing the Application and submitting it to State HCD, each of the Parties acknowledge, agree, represent and warrant to the other that the Application represents their shared plans for the acquisition, rehabilitation and operation of the Property to create permanent rental housing for the Target Population with Homekey funding and County matching funds. The Parties agree to accept a Homekey 3.0 award and enter into a Standard Agreement with State HCD (“Standard Agreement”) should the Property receive the requested award of Homekey 3.0 funding and shall negotiate in good faith with State HCD to finalize any requested changes to the Application or the Standard Agreement in order to create permanent rental housing for the Target Population with Homekey funding and County matching funds.

5. Agreement to Record Homekey Regulatory Agreement in First Lien Position. The Parties acknowledge and agree that the obligations of the Parties under the Standard Agreement shall be secured by a 55-year Regulatory Agreement subject to specific performance by State HCD in the form required by State HCD, which shall be recorded in a first lien position on the Property with priority over any other lien, including any lien securing the County’s loan of funds for the Property as set forth in Section 9 below.

6. Tax Consequences of Award of Homekey 3.0 Funds. Each of the Parties acknowledges and agrees that a State HCD award of Homekey 3.0 funding in the form of a recoverable grant may create income to the County, a tax-exempt entity, and ECS or the Special Purpose Entity. ECS and the Special Purpose Entity are solely responsible for any income tax consequences either incurs because it is a Co-Applicant with the County in submitting a successful Application for Homekey 3.0 funding.

7. Responsibilities of the County

7.1. Acquisition and Disposition of the Property. The County has entered into an LOI (to be succeeded by a PSA) for the purchase of the Property at the agreed price of Eleven Million Dollars (\$11,000,000), subject to receiving an award of Homekey 3.0 funding. Should the Property receive a Homekey 3.0 award, the County intends to sell or lease the Property to the Special Purpose Entity as described in Section 9 below to provide permanent rental housing for the Target Population on the terms set forth in the Application and as subsequently documented in the Standard Agreement. The County shall be solely responsible for any loss of deposit or other damages that may result under the LOI or PSA should the Parties’ Application for Homekey 3.0 funding not result in an award of Homekey 3.0 funding.

7.2 Property Investigation. The County has contracted at its own expense for an appraisal of the Property, a preliminary title report, a Property Needs Assessment, and an Environmental Site Assessment Phase I and has received as-built plans and drawings of the Property from the seller

(collectively, "Due Diligence Documents") and has provided copies of these Due Diligence Documents to ECS for review and approval prior to submission of the Application. The County makes no representations or warranties as to the accuracy, completeness, or adequacy of the Due Diligence Documents for their intended purpose. During the term of this MOU, the County shall deliver to ECS complete copies of any other material non-privileged reports and documents pertaining to the Property, which are in the County's possession, at no cost to ECS or the Special Purpose Entity.

7.3 Capital Funds Match. As a condition of Homekey 3.0 capital funding in the expected amount of Twelve Million One Hundred Thousand Dollars (\$12,100,000.00), the County Board of Supervisors has authorized a capital funds match of up to Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000) ("Capital Funds Match") from the County's award of funds under the American Rescue Plan Act (ARPA) for the purchase and rehabilitation of the Property (Resolution No. 079744). As a condition of its Capital Funds Match, the County has approved the development budget included in the Application and retains the right to review and approve or disapprove any revised development budget proposed by ECS pursuant to Section 9 below. The Parties acknowledge and agree that the Capital Funds Match, together with any balance remaining of the Homekey 3.0 award after payment of the agreed purchase price of the Property, shall be made available to ECS and the Special Purpose Entity to carry out the rehabilitation of the Property, including but not limited to any approved predevelopment expenses incurred prior to notification of the State HCD decision on the Application. Expenditure of the County's Capital Funds Match by ECS or the Special Purpose Entity shall be subject to the County's prior approval of the scope of work and budget, as set forth in Section 9 below.

7.4 Operating Subsidy Match. As a condition of an award of Homekey 3.0 operating subsidy funding in the expected amount One Million Seven Hundred Ninety Two Thousand Eight Hundred Dollars (\$1,792,800.00), the County Board of Supervisors has authorized an operating subsidy match from Measure K sales tax proceeds ("Operating Subsidy Match") by pledging an award of fifteen year rental subsidies for forty-five (45) of the Property's rental units from the County's Housing County Voucher Program. As a condition of its Operating Subsidy Match, the County has approved the operating budget included in the Application and retains the right to review and approve or disapprove any revised operating budget proposed by ECS pursuant to Section 9 below. The Parties acknowledge and agree that the Operating Subsidy Match shall be provided in the form of a Housing County Voucher Program Agreement obligating the County to fund a rental subsidy in a current estimated amount of \$1,951/unit/month for each of the Property's 45 units for a 15-year term on the terms summarized in the Housing County Voucher Program Term Sheet included as Attachment B.

7.5 Negotiation Solely with the Co-Applicants. During the term of the MOU, the County shall not negotiate with any person or entity other than ECS and the Special Purpose Entity, for the sale, lease, development, operation or management of the Property.

7.6. Good Faith Efforts. During the term of the MOU, the County shall use good faith efforts to complete (or cause to be completed) its responsibilities set forth in this MOU, including but not limited to negotiation of the terms of the agreements for the Project Documents set forth in Section 9 below. The Parties acknowledge and agree that the Director of the Department of Housing has final approval of the Project Documents to be negotiated pursuant to Section 9 below and further acknowledge and agree that failure of the Parties to reach agreement on the

final terms of the Project Documents is grounds for termination of this Agreement.

8. Responsibilities of the Co-Applicants.

8.1 Property Investigation. ECS is solely responsible for assessing the accuracy, completeness and adequacy of the Due Diligence Documents provided by the County and undertaking any further investigation that may be required to finalize the Project Documents set forth in Section 9 below, including but not limited to any further title, environmental, physical, engineering, financial, and feasibility investigations, reports and analyses determined to be necessary by ECS and the Special Purpose Entity. The County shall use its best efforts to secure the agreement of the seller of the Property to provide ECS with reasonable access to the Property to allow ECS to conduct any requested non-invasive due diligence activities.

8.2 Reimbursement of Expenses. ECS is not eligible for reimbursement of expenses incurred in supporting the development and submission of the Application. After submission of the Application and pending an award of Homekey 3.0 funding, any costs incurred for such further investigations, reports and analyses deemed necessary by ECS and approved in advance by the County shall be paid or reimbursed by the County from the proceeds of a non-interest-bearing pre-development loan not to exceed Five Hundred Thousand Dollars (\$500,000.00) provided by the County to the Special Purpose Entity. Disbursement of funds under the predevelopment loan agreement shall be in accordance with the prior approved budget and subject to the timely submission of appropriate supporting documentation of the expense up to the amount approved by the County in the predevelopment budget. Should the Application be successful, the outstanding balance of the predevelopment loan shall then be credited toward the County Capital Funds Match for purposes of determining the balance of the Capital Funds Match available to the Special Purpose Entity to complete the rehabilitation of the Property in accordance with the Project Documents negotiated in Section 9. Should the Application be unsuccessful or if the MOU is terminated pursuant to Section 3, the outstanding balance of the predevelopment loan shall be forgiven by the County.

8.3 Acceptance of Homekey Award, Conveyance of the Property, County Development Agreement and County Housing Voucher Agreement. Subject to an award of Homekey 3.0 funding, execution of the Standard Agreement, and negotiation and execution of the Project Documents set forth in Section 9 below, ECS and the Special Purpose Entity shall accept the award of Homekey 3.0 funding and enter into the ground lease for the Property by the County, a Development Agreement to govern the terms of the disbursement to ECS of the remaining balance of the County Capital Match Funds, and the award of rental subsidy funds under the County Housing Voucher Program for the purpose of rehabilitating, managing, and operating the Property and providing supportive services to the Target Population, as set forth in the Application, the Standard Agreement, the State HCD Regulatory Agreement and the Project Documents described in Section 9 below.

8.4 Rehabilitation of the Property. Subject to an award of Homekey 3.0 funding, execution of the Standard Agreement, and negotiation and execution of the Project Documents set forth in Section 9 below, the Special Purpose Entity shall be solely responsible for the rehabilitation of the Property within the budgeted amount and the timeline approved by the County and State HCD. This responsibility shall include but not be limited to finalizing the scope of the rehabilitation, entering into any construction, architectural, engineering, and other professional agreements necessary to implement the approved rehabilitation, monitoring the rehabilitation work,

authorizing and making payments due to the contractors, causing the successful completion of the rehabilitation of the Property such that it is ready for occupancy on the timeline required by State HCD, subject to any unforeseen delays that result in an approved extension of the required timeline by State HCD, and securing certification of completion of work by the local jurisdiction, as demonstrated by a Taking Over Certificate or other form of certification of completion. The Special Purpose Entity shall submit any revised rehabilitation budget or timeline for the prior approval of the Director of the Department of Housing.

8.5 Management of the Property. Subject to an award of Homekey 3.0 funding, execution of the Standard Agreement, and negotiation and execution of the Project Documents as set forth in Section 9 below, ECS and the Special Purpose Entity shall be responsible for the property management of the Property consistent with the Property Management Plan and within the budget for operating expenses included in the Application and shall successfully complete the lease-up of the Property within the time required by the Standard Agreement. ECS, as the manager of the Special Purpose Entity, has proposed, and the County has approved, the selection of Caritas Management Corporation, to serve as the property manager of the Property within the budget included for property management in the Application and on the terms set forth in Section 9. The Special Purpose Entity shall submit any proposed change in the property management company or the property management budget or agreement for the prior approval of the Director of the Department of Housing. The Special Purpose Entity shall be solely responsible for the payment of the property management company and any other expenses of managing, maintaining, and operating the Property within the budget included in the Application.

8.6 Supportive Services to the Target Population. Subject to an award of Homekey 3.0 funding, execution of the Standard Agreement, and negotiation and execution of the Project Documents as set forth in Section 9 below, ECS shall be responsible for the delivery of the supportive services proposed for the Target Population in the Supportive Service Plan and within the budget for Supportive Services included in the Application. ECS has proposed, and the County has approved, the selection of ECS to implement the Supportive Services Plan within the budget included for supportive services in the Application and on the terms set forth in Section 9. ECS shall submit any change in the supportive services provider or the supportive services budget for the prior approval of the Director of the Department of Housing. ECS shall be solely responsible for the payment of the supportive services provider and any other expenses of providing supportive services to the Target Population within the budget included in the Application.

8.7 Good Faith Efforts. During the term of the MOU, ECS and the Special Purpose Entity shall use good faith efforts to complete (or cause to be completed) their responsibilities set forth in this MOU, including but not limited to negotiation of the terms of the agreements for the Project Documents set forth in Section 9 below. The Parties acknowledge and agree that the Executive Director of ECS has final approval on behalf of ECS and the Special Purpose Entity of the Project Documents to be negotiated pursuant to Section 9 below.

8.8 Development Fee. The Parties acknowledge and agree that the County shall not be compensated for its development efforts, and that ECS may receive a development fee in an amount approved by the County up to the lesser of (a) the maximum amount allowed by the NOFA or (b) Five Hundred Fifty-Four Thousand Dollars (\$554,000.00). Any request for development or other similar fees in excess of the maximum amount allowed by the NOFA must be approved by the Director of the Department of Housing in his sole and absolute discretion and such excess may only be paid from funds that are not included in the County Capital Match Funds. The approved development fee

shall be earned and paid on a performance basis, on the following schedule:

- (a) 10% upon the later of (i) all Parties' signing Project Documents OR (ii) the Homekey Award Date.
- (b) 25% upon the later of (i) the County's written approval of final permit drawings, scope of work, and rehab budget OR all Parties signing the Homekey Standard Agreement.
- (c) 10% upon Commencement of Construction evidenced by a Notice To Proceed.
- (d) 30% upon HCD approval of Completion of Construction Milestone submission evidenced by Temporary Certificate of Occupancy or other evidence approved by HCD.
- (e) 25% upon HCD approval Completion of Occupancy Milestone submission (90% occupied).

8.9 Indemnification. ECS and the Special Purpose Entity shall indemnify, defend, and hold the County and the County's respective officers, directors, members, employees, agents, contractors and affiliated entities harmless from any and all claims, liabilities, damages, costs and expenses to the extent arising out of or relating to the performance of or failure to perform any obligation of ECS and the Special Purpose Entity under this MOU or the Project Documents. ECS' obligations under the preceding sentence shall survive the expiration or earlier termination of this MOU.

8.10 No Assignment. ECS and the Special Purpose Entity represent and warrant that their undertakings pursuant to this MOU are for the purpose of rehabilitating, operating and managing the Property and recognize that, in view of the importance of the operation and management of the Property to the general welfare of the community, the qualifications and identity of ECS and its principals are of particular concern to the County; therefore, this MOU may not be assigned by ECS or the Special Purpose Entity without the prior written consent of the Director of the Department of Housing in his sole and absolute discretion.

9. Negotiation of Project Documents. Immediately upon submission of the Application to State HCD, the Parties shall enter into good faith negotiations to finalize the Project Documents described below, which shall further develop and implement the development plan included in the Application and will be necessary should the Application be approved for Homekey 3.0 funding. The County's representative to finalize the Project Documents is the Director of the Department of Housing, or the Director's designee. ECS's and the Special Purpose Entity's representative to finalize the Project Documents is the Executive Director of ECS. The intention of the Parties is to finalize these Project Documents before notification of receipt of an award of Homekey 3.0 funding, but in any event within three months of the Effective Date of this MOU. As set forth in Section 3.0, either Party may terminate this MOU after meeting in good faith to attempt to resolve such issues and concluding in their sole discretion that reasonable progress is not being made to finalize the terms and conditions of the Project Documents set forth below.

9.1 Ground Lease and Conveyance of the Property. The County shall propose for ECS's review and approval a Ground Lease, Grant Deed for the improvements, and any other documents necessary for the County to convey the Property to the Special Purpose Entity. The Parties intend that the Ground Lease will be for a term of 55 years, with annual fixed rent payment of \$1 and an additional payment of Residual Receipts. Upon expiration of the term of the Ground Lease, title to the land and any improvements shall revert to the County.

9.2 Rehabilitation Plan, Design and Construction Documents, Development Budget. Consistent with the development plan and development budget included in the Application, ECS, as the manager of the Special Purpose Entity, shall propose for the County's review and approval a more detailed Rehabilitation Plan based on further investigation of the Property conducted after the submission of the Application, as well as design and construction documents and a final

development budget necessary for the acquisition, rehabilitation and lease-up of the Property.

9.3 County Development Agreement, Pre-Development Loan Agreement, and Regulatory Agreement. Consistent with the County Capital Funds Match and the development plan and development budget included in the Application, as it may be revised with the County's prior approval pursuant to Section 9.2, the County shall propose for ECS' review and approval a Development Agreement and a County Regulatory Agreement subordinate to the State HCD Regulatory Agreement. As set forth in Section 8.2 above, up to Five Hundred Thousand (\$500,000.00) may be disbursed by the County for reimbursement of ECS's predevelopment expenses incurred after submission of the Application and prior to notification of an award of Homekey funds and execution of the Project Documents. Any funds advanced prior to executing the Standard Agreement and the Project Documents shall be evidenced by a predevelopment loan agreement with the Special Purpose Entity, which will be forgiven if the Property does not receive an award of Homekey 3.0 funding.

9.4 Property Management Plan and Property Management Agreement. Consistent with the property management plan and operating budget included in the Application, ECS shall propose for the County's review and approval a final Property Management Plan and a Property Management Agreement with the property management company selected by ECS and approved by the County. The budget for property management and maintenance and operations of the Property shall be within the amount proposed in the operating budget included in the Application, unless an increase in the operating budget is proposed and approved by the County pursuant to Section 9.6 below.

9.5 Supportive Services Plan and Supportive Services Agreement. Consistent with the supportive services plan included in the Application, ECS shall propose for the County's review and approval a final Supportive Services Plan and a Supportive Services Agreement with ECS or another supportive services provider recommended by ECS and approved by the County. The budget for supportive services for the Target Population shall be within the amount proposed in the operating budget included in the Application, unless an increase in the operating budget is proposed and approved by the County pursuant to Section 9.6 below.

9.6 Housing Voucher Program Agreement. The County shall propose for ECS's review and approval a Housing Voucher Program Agreement under which the County will provide a currently estimated amount of \$1,951/month/unit for 45 units of the Property for a term of fifteen (15) years, subject to ongoing appropriations by the Board of Supervisors. ECS acknowledges and agrees that this pledge of operating support is the sole source of County operating subsidy pledged for the Property in the Application and authorized by the County Board of Supervisors. ECS represents and warrants that no assurances of other funding have been promised to ECS by the County, and ECS is entering into the Agreement based solely on the County's commitment of funds provided by the County Housing Voucher Program.

9.7 Operating Budget. Consistent with the terms of the Operating Budget included in the Application, ECS shall propose for the County's review and approval a more detailed operating budget that takes into account further investigation of the costs of operating, maintaining, and managing the Property and providing supportive services to the Target Population. ECS acknowledges and agrees that if the more detailed operating budget requests County matching funds in excess of the operating funds match described in Section 9.6 above and already pledged as a match for the Homekey Operating Subsidy Award in the Application, additional funding may be unavailable,

and it may be necessary for ECS to revise the scope of services to achieve a budget within the amount authorized by the Board of Supervisors and included in the Application.

9.8 Further Agreements and Amendments. The Parties shall identify, propose and negotiate in good faith any additional agreements or amendments of the Project Documents described in this Section 9, which may be necessary for the acquisition, rehabilitation, management and operation of the Property and the provision of supportive services to the Target Population consistent with the Application and the Standard Agreement if the Property receives an award of Homekey 3.0 funding from State HCD.

10. Notices. Any notice, request, approval or other communication to be provided by one Party to the other shall be in writing and provided by certified mail, return receipt requested, or a reputable overnight delivery service (such as Federal Express) and addressed as follows:

If to ECS:

Episcopal Community Services  
Address: 165 8th St, San Francisco, CA 94103  
Attn: Executive Director

If to the Special Purpose Entity:

Episcopal Community Services  
Address: 165 8th St, San Francisco, CA 94103  
Attn: Executive Director

If to the County:

County of San Mateo Department of Housing  
264 Harbor Blvd., Bldg. A  
Belmont, CA 94002  
Attn: Director

Notices shall be deemed delivered: (i) if sent by certified mail, then upon the date of delivery or attempted delivery shown on the return receipt; or (ii) if delivered by overnight delivery service, then one (1) business day after delivery to the service as shown by records of the service.

11. Entire Agreement. This MOU constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof. There are no agreements or understandings between the Parties and no representations by either Party to the other as an inducement to enter into this MOU, except as may be expressly set forth herein, and any and all prior discussions and negotiations between the Parties are superseded by this MOU.

a. This MOU may not be altered, amended or modified except by a writing duly authorized and executed by both the Parties.

b. No provision of this MOU may be waived except by an express written waiver duly authorized and executed by the waiving Party.

12. Legal Actions. If any Party should bring any legal action or proceeding relating to this agreement or to enforce any provision hereof, or if the Parties agree to arbitration or mediation relating to

this MOU, the Party in whose favor a judgment or decision is rendered shall be entitled to recover reasonable attorneys' fees and expenses from the other. The Parties agree that any legal action or proceeding shall be filed in the County of San Mateo. The Parties further agree that any agreed-upon arbitration or mediation shall occur in the County of San Mateo.

13. Governing Law. The interpretation and enforcement of this MOU shall be governed by the laws of the State of California.
14. Time is Of the Essence. Time is of the essence of each and every provision hereof in which time is a factor.
15. Severability. If any provision of this MOU shall be held to be invalid, void or unenforceable, the validity, legality or enforceability of the remaining portions of this MOU shall not in any way be affected or impaired thereby.
16. No Presumption Against the Drafter. This MOU has been drafted through a cooperative effort of both the Parties, and both the Parties have had an opportunity to have the MOU reviewed and revised by legal counsel. No Party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the Party drafting the clause shall apply to the interpretation or enforcement of this MOU.
17. Authority to Execute MOU. Each person signing this MOU represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this MOU. Each Party represents and warrants to the other that the execution and delivery of the MOU and the performance of such Party's obligations hereunder have been duly authorized and that the MOU is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.
18. Conflicts of Interest. Each of the Parties shall avoid all conflicts of interest in the performance of this MOU and shall immediately notify the other Parties should a conflict of interest arise that would prohibit or impair its ability to perform under this MOU.
19. Non-Discrimination. The Parties will not discriminate, in any way, against any person based on sex, pregnancy, childbirth or related medical conditions, race, veteran status, religion, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, gender (including gender identity and gender perception), sexual orientation, use of family medical leave, genetic testing, or any other basis protected by federal or state law. This policy shall apply to all employment practices.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the Effective Date.

COUNTY:

**County of San Mateo**, a political  
Subdivision of the State of California

DocuSigned by:  
*Raymond Hodges*  
1AA8E80BC31C423...  
BY: \_\_\_\_\_  
Raymond Hodges, Director of  
Department of Housing

**CO-APPLICANTS:**

**Episcopal Community Services**, a California  
nonprofit public benefit corporation

DocuSigned by:  
*Mary Elizabeth Stokes*  
BY: \_\_\_\_\_  
Mary Elizabeth Stokes, Executive Director

**721 Airport LLC**

BY: Episcopal Community Services, its Sole Member

DocuSigned by:  
*Mary Elizabeth Stokes*  
BY: \_\_\_\_\_  
Mary Elizabeth Stokes, Executive Director

EXHIBIT A  
DESCRIPTION OF REAL PROPERTY

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

Lots 5 and 6, Block 152, as delineated upon that certain Map entitled, "South San Francisco San Mateo Co. Cal. Plat No. 1", filed for record in the Office of the Recorder of the County of San Mateo, State of California, on March 1, 1892, in Book "B" of Maps, at Page 6 and a copy entered in Book 2 of Maps, at Page 52.

APN: 012-146-14