

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (the "Agreement") to restrict use of Property is made and entered into this 1st day of September 2015, by and between the COUNTY OF SAN MATEO ("County"), hereinafter referred to as "County," and the JOHN A. TEDESCO TRUST and the SAMANTHA S. TEDESCO TRUST, hereinafter referred to as "Owners."

RECITALS

- A. "Owners" are the owners of the fee interest in certain real property located at 1450 Purissima Creek Road, Half Moon Bay, in the County of San Mateo, State of California, also identified as APN 066-190-050 and further described in Exhibit "A" (the Property) attached hereto; and
- B. County, on June 12, 2013, approved the Owners' Coastal Development Permit, Planned Agricultural District Permit, and Grading Permit (PLN 2011-00226) to build a new single-family home on a legal 111-acre parcel and, as a condition of approval, required that the Owners enter into an Agreement to limit the use of the existing Farm House to remain on the Property for occupancy by very low, low, or moderate income households consistent with Local Coastal Program Policy 3.24; and
- C. In fulfillment of this requirement, Owners and County now wish to enter into an Agreement to restrict occupancy of the existing Farm House to remain on the Property to occupancy by a very low, low, or moderate income household.

PART I

A. Description of the Property

The Real Property subject to this Agreement is located in the County of San Mateo, State of California, and is more fully described in Exhibit "A," attached hereto and by this reference made a part hereof.

The specific housing unit to be subject to these restrictions is an existing approximately 2,000 sq. ft., three-bedroom Farm House originally constructed in the 1930s and commonly known as 1450 Purissima Creek Road, Half Moon Bay, and hereinafter referred to as the "Farm House."

B. Maintenance of Long-Term Affordability

Owners agree that the unit referred to in Part I, Paragraph A, shall be restricted permanently from the date hereof, or when a Certificate of Occupancy is granted for the new single-family home being constructed at 1455 Purissima Creek Road,

whichever is later, to rental and occupancy only by very low, low, or moderate income households. This restriction shall be binding on the Owners and any and all successors in interest.

C. Rent Restrictions

The monthly rent for the Farm House on the Property shall not exceed the maximum affordable rent payment for a median income household as determined by the County Housing Department or its successor agency. As of the date of this Agreement, the maximum rent for a three-bedroom unit is \$3,046 per month.

D. Tenant Requirements

The Farm House shall be continuously occupied by Very Low, Low, or Moderate Income Tenants as defined by the San Mateo County Housing Department or its successor agency, except that the maximum income of a moderate income household occupying the unit shall not exceed 100% of the County Median Household Income as established annually by the U.S. Department of Housing and Urban Development (HUD). As of the date of this Agreement, the maximum income of the tenant shall not exceed the following:

<u>Household Size</u>	<u>Median Income</u>
1	\$72,100
2	\$82,400
3	\$92,700
4	\$103,000
5	\$111,250

These income amounts will be revised as reflected by law. For purposes of satisfying the Very Low, Low, or Moderate Income Tenant Occupancy requirements set forth above, a unit occupied by a person or family, who at the commencement of their occupancy qualified as a Very Low, Low, or Moderate Income Tenant, shall be treated as occupied by a Very Low, Low, or Moderate Income Tenant until said tenant vacates the unit. All subsequent tenants must meet the median income guidelines per this Section at commencement of occupancy.

The Owners shall accept as tenants on the same basis as all other prospective tenants, Very Low, Low, or Moderate Income Tenants who are recipients of federal certificates for rent subsidies pursuant to the existing program under Section 8 of the United States Housing Act of 1937 or its successor, and shall not apply selection criteria to Section 8 certificate holders that are more burdensome than the criteria applied to all other prospective tenants.

Each lease pertaining to the Property shall contain a provision to the effect that the Owners have relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the affordable unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease. Except for the affordable rent to be paid by a Very Low, Low, or Moderate Income Tenant, the Owners shall not collect any additional fees or payments from a Low Income Tenant or Very Low Income Tenant except security deposits or other deposits or fees required of all similarly situated tenants.

E. Income Verification

The Owners will obtain, complete, and maintain on file income verifications from each Very Low, Low, or Moderate Tenant, obtained immediately prior to the initial occupancy of the restricted unit.

The Owners shall make a good faith effort to verify that the income provided by an applicant in an income certification is accurate by taking one or more of the following steps as part of the verification process: (1) obtain a pay stub for the most recent pay period, (2) obtain an income tax return for the most recent tax year, (3) conduct a credit check or similar search, (4) obtain an income verification form from the applicant's current employer, (5) 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 (6) if the applicant is unemployed and has no such tax return, obtain another form of independent verification. Copies of said verifications shall be made available to the County upon demand.

F. Covenants to Run with the Land

The Owners hereby subject the Property to the covenants, reservations, and restrictions set forth in this Agreement. The County and the Owners hereby declare their express intent that the covenants, reservations, and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owners' successors in title to the property. Each and every contract, deed, or other instrument hereafter executed, covering or conveying the property or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

PART II

A. Enforcement

If the Owners default in the performance of observance of any covenants, agreement or obligation of the Owners set forth in this Agreement, and if such default remains uncured for a period of 30 days after notice thereof shall have been given by the County, then the County shall declare an "Event of Default" to have occurred hereunder and, at its option, may take any one or more of the following steps:

1. By injunction or other suit, action or proceeding at law or in equity, require the Owners to perform their obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or in violation of the rights of the County hereunder.
2. Have access to and inspect, examine, and make copies of all of the books and records of the Owners pertaining to the property.
3. Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owners hereunder.

B. Recording and Filing

A Memorandum of Deed Restriction referencing this Agreement shall be recorded and filed in the real property records of the County of San Mateo, California. The Owners shall pay all fees and charges incurred in connection with any such recording. A copy of this recording shall be submitted to the County Planning Department for filing with the Planning file.

C. Project Representation

The County and Owners hereby designate the following agents to act as project representatives in the matters dealing with performance under this Agreement:

COUNTY: Community Development Director
Planning and Building Department
455 County Center, 2nd Floor
Redwood City, CA 94063

OWNERS: John A. Tedesco Trust and Samantha S. Tedesco Trust
1450 Purissima Creek Road
Half Moon Bay, CA 94019

D. Interest of Public Officials

No members, officers, or employees or agents of San Mateo County, no member of the Board of Supervisors, and no other public official who exercises any function or responsibility with respect to this program during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in this Agreement or a related subcontract, or the proceeds thereof. Owners shall incorporate in all subcontracts hereunder a provision prohibiting such interest.

E. Compliance with County Affirmative Action Plan

The Owners shall not discriminate based on age, ancestry, creed, color, disability, marital status, medical condition, national origin, political or religious affiliation, race, sex, sexual orientation, or union membership.

F. Hold Harmless

The Owners shall indemnify and save harmless the County, its officers, agents, employees and servants from all claims, suits or actions of every name, kind and description, brought for, or on account of, injuries to or death of any person, including Owners, or damage to Property of any kind whatsoever and to whomsoever belonging including, but not limited to, the concurrent active or passive negligence of the County, officers, agents, or employees and servants, resulting from the performance of any work required by this Agreement of Owners, provided that this shall not apply to injuries or damage for which the 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 the Owners to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

G. Merger Clause

The document constitutes the sole Agreement of the parties hereto relating to said property and correctly states the rights, duties, and obligations of each party as of the document's date. Any prior Agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first, above, written.

COUNTY OF SAN MATEO

By _____
President, Board of Supervisors
"County"

Date: _____

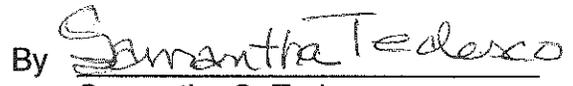
ATTEST:

Clerk of Said Board of Supervisors

OWNERS:

By 
John A. Tedesco

Date: 8/25/15

By 
Samantha S. Tedesco

Date: 8/25/15

(NOTARIAL ACKNOWLEDGMENT)

ACKNOWLEDGMENT

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

State of California
County of San Mateo

On August 28, 2015 before me, Carlos Garcia, Notary Public
(insert name and title of the officer)

personally appeared John A. Tedesco & Samantha S. Tedesco,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are
subscribed to the within instrument and acknowledged to me that ~~he~~ ~~she~~ they executed the same in
~~his~~ ~~her~~ their authorized capacity(ies), and that by ~~his~~ ~~her~~ their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature

Carlos Garcia

(Seal)

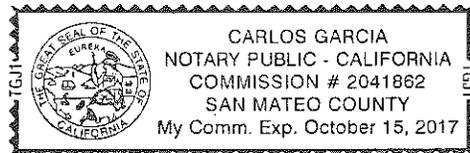


EXHIBIT "A"

PROPERTY DESCRIPTION

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

111.498 Ac Mol Lots 1 2 3 4 Ptn Of Sec 15 10 T6sr5w Mdb & M Cabrillo Unif Sch Dist

APN: 066-190-050