Inclusionary Housing Agreement

Chapin-Axtell
PLN080039

Board of Supervisors
July 12, 2011
RECORDING REQUESTED BY:

County of Monterey

WHEN RECORDED MAIL TO:

County of Monterey
Redevelopment and Housing Office
168 West Alisal Street, 3rd Floor
Salinas, CA 93901
Attn: Redevelopment and Housing Director

No fee for recording pursuant to Government Code Section 27383

(Space above for Recorder's Use)

INCLUSIONARY HOUSING AGREEMENT

(Master Developer – Inclusionary Rental Units)
[Chapin Axttell St Apartments PLN080039]

This INCLUSIONARY HOUSING AGREEMENT ("Agreement") is entered into as of this 10 day of JUNE 2011, by and between the COUNTY OF MONTEREY, a political subdivision of the State of California (the "County"), and Donald D. Chapin Jr. and Barbara A. Chapin (collectively the "Developer"), with reference to the following facts:

A. The County has adopted an Inclusionary Housing Ordinance, Monterey County Code Chapter 18.40, ("Chapter 18.40" or the "Ordinance") which requires that twenty percent (20%) of all new residential units developed in the unincorporated portions of the County be affordable to very low income, low income, and moderate income households and that allows, under specified circumstances, alternative means of compliance. The Ordinance is administered by the County Resource Management Agency, Redevelopment and Housing Office.

B. Developer is the owner of certain real property in the County of Monterey, California described in Exhibit A attached hereto and incorporated herein by this reference the "Property" or the "Inclusionary Rental Unit Property".

C. For the purposes of this Agreement, Developer has applied for a Combined Development Permit and General Development Plan known as the "Axttell Street Properties Subdivision" (hereinafter referred to as the "Master Development") which includes fifty-nine (59) apartments on the Property and seven (7) single family residential lots on adjacent land (File #PLN080039). Pursuant to the Chapter 18.40, Developer is required to execute this Agreement as a condition of the First Approval of the Master Development by the County. The Combined Development Permit and General Development Plan PLN080039 (the "Permit") for the Property was approved by the County on March 17, 2009 (Board of Supervisors Resolution #09-185).
The Permit approval included as Condition #37, the requirement that the Developer execute this Inclusionary Agreement in compliance with the County's Inclusionary Ordinance (#04185).

D. Developer intends to meet the inclusionary housing obligation of 12.6 Inclusionary Units by (i) constructing, or causing to be constructed, thirteen (13) on-site multifamily rental units within the apartment component of the Master Development, with restricted occupancy and rents, as further described in Sections 3 through 10 below (the "Inclusionary Rental Units").

E. This Agreement is executed in conjunction with the First Approval for a total of forty-six (46) market rate rental units in the apartment component of the Master Development (the "Market Rate Units") and for seven (7) market rate single family residential lots, and thirteen (13) Inclusionary Rental Units in the apartment component of the Master Development.

F. Developer is required by Chapter 18.40 and as part of the First Approval to enter into an Inclusionary Housing Agreement, with the content specified by Chapter 18.40, on terms acceptable to the Redevelopment and Housing Director. This Agreement, as it may be amended, shall be recorded against the Inclusionary Rental Unit Property in conjunction with the recordation of the final subdivision map.

NOW, THEREFORE, it is mutually agreed by and between the Developer and the County (the "Parties") as follows:

Section 1. Definitions. In addition to those terms defined in the Recitals to this Agreement, the following terms have the following meanings in this Agreement:

(a) "Administrative Manual" means the manual prepared pursuant to subsection 18.40.110H of the Ordinance.

(b) "Affordable Rent" means rent, a monthly amount which, together with utility allowance, does not exceed: (i) for Very Low Income Inclusionary Rental Units, one-twelfth (1/12th) of thirty percent (30%) of the fifty percent (50%) of Median Income, adjusted by household size based on the number of bedrooms in the unit; (ii) for Low Income Inclusionary Units, one-twelfth (1/12th) of thirty percent (30%) of sixty percent (60%) of Median Income, adjusted for household size based on the number of bedrooms in the unit; and (iii) for Moderate Income Inclusionary Units, one-twelfth (1/12th) of thirty percent (30%) of one hundred ten percent (110%) of Median income, adjusted for household size based on the number of bedrooms in the unit. Rent, for purposes of this definition, shall include all required monthly payments made by the tenant to the lessor in connection with use and occupancy of a housing unit and land and facilities associated therewith, including any separately charged fees, utility charges, or service charges assessed by the lessor and payable by the tenant (but not including fees and charges resulting from any default by the tenant or damage caused by the tenant).

Adjustments for household sized based on the number of bedrooms in the unit and amounts utilized for utility allowances shall be as provided by the County in the Administrative Manual.
(c) "Approval" means any planned unit development or planned community development approval, subdivision approval, use permit, building permit or combined development permit for a residential development.

(d) "First Approval" means the first Approval to occur with respect to a residential project.

(e) "Inclusionary Rental Unit Property" means the legal parcel of land on which the Inclusionary Rental Units will be constructed, together with any Inclusionary Rental Units and appurtenant improvements constructed on such land.

(f) "Low Income Household" means a household, including a very low income household, with an annual income which does not exceed HUD's annual determination for low income households with incomes of approximately eighty percent (80%) of the Median Income, adjusted for household size, and with household assets that do not exceed the maximum asset limitation for Inclusionary Rental Units set forth in the Administrative Manual.

(g) "Low Income Inclusionary Rental Unit" means an Inclusionary Rental Unit reserved for occupancy by Low Income Households at an Affordable Rent.

(h) "Maximum Initial Rents" means the initial rents for the Inclusionary Rental Units determined pursuant to the formula specified in the Administrative Manual for each income level and set forth in Exhibit D attached hereto and incorporated herein.

(i) "Median Income" means the median household income as determined periodically by HUD for the Salinas Metropolitan Statistical Area and updated on an annual basis.

(j) "Moderate Income Household" means a household, including a Low Income Household and a Very Low Income Household, with an annual income which does not exceed one hundred twenty percent (120%) of the Median income, adjusted for household size, and with household assets that do not exceed the maximum asset limitation for Inclusionary Rental Units set forth in the Administrative Manual.

(k) "Moderate Income Inclusionary Rental Unit" means an Inclusionary Rental Unit reserved for occupancy by Moderate Income Households at an Affordable Rent.

(l) "Ordinance" means the Inclusionary Housing Ordinance, Monterey County Code Chapter 18.40.

(m) "Regulatory Agreement" means the Inclusionary Housing Regulatory Agreement and Declaration of Restrictive Covenants between the Developer (or its successors to the Inclusionary Rental Unit Property) and the County, to be recorded against the Inclusionary Rental Unit Property pursuant to Section 7(d) below.

(n) "Very Low Income Household" means a household with an annual income which does not exceed HUD's annual determination for very low income households.
income of approximately fifty percent (50%) of median income, adjusted for household size, and with household assets that do not exceed the maximum asset limitation for Inclusionary Rental Units set forth in the Administrative Manual.

(o) "Very Low Income Inclusionary Rental Unit" means an Inclusionary Rental Unit reserved for occupancy by Very Low Income Households at an Affordable Rent.

Section 2. Satisfaction of Inclusionary Housing Obligation and Conditions of Approval. The Inclusionary Housing conditions of approval of the First Approval and the requirements of Chapter 18.40 shall be satisfied with respect to the Property if the following conditions are met: (a) Developer constructs or causes to be constructed the Inclusionary Rental Units meeting the requirements of Sections 3-10 below, in compliance with the schedule set forth in Section 7 below; (b) Developer records the Regulatory Agreement described in Section 7(d) below against the Inclusionary Rental Unit Property; and (c) the Inclusionary Rental Units are marketed in compliance with Section 8 below and operated in compliance with the Regulatory Agreement. An amendment to this Agreement will be required to receive final subdivision map or other County approval for additional housing units on the Property above the requested total of forty-six (46) market rate rental apartments and seven (7) market rate single family residential lots, identified by Developer in the First Approval application, to make any changes to the Inclusionary Rental Units as they are described in Sections 3-7 of this Agreement, or to otherwise change the terms of this Agreement.

Section 3. Number of Inclusionary Rental Units. As a condition to the satisfaction of Developer's inclusionary housing requirements for the Master Development, Developer shall construct, or cause to be constructed, at least thirteen (13) Inclusionary Rental Units, of which six (6) shall be Moderate Income Inclusionary Rental Units, four (4) shall be Low Income Inclusionary Rental Units, and three (3) shall be Very Low Income Inclusionary Rental Units.

Section 4. Location of Inclusionary Rental Units. The Inclusionary Rental Units shall be constructed on the Property in the location(s) shown or described in the attached Exhibit B. The legal parcel of land on which the Inclusionary Rental Units will be constructed, together with any Inclusionary Units and appurtenant improvements constructed on such land, is referred to herein as the "Inclusionary Rental Unit Property."

Section 5. Appearance, Size and Bedroom Count. If the Inclusionary Rental Units are to be constructed onsite with the Market Rate Units, they shall be of the same general design and appearance as the Market Rate Units. The Inclusionary Rental Units shall include two or three bedroom units in the numbers and with the square footage indicated in Exhibit C to this Agreement.

Section 6. Affordability Requirements. The Inclusionary Rental Units shall be rented to Very Low Income Households, Low Income Households, and Moderate Income Households at Affordable Rents, calculated pursuant to Section 1(b) above; provided, however, in no event shall the Developer be required to rent the Inclusionary Rental Units at rents which are lower than the Maximum Initial Rents set forth in Exhibit D of this Agreement. The affordability requirements of this Section 6 shall be set forth in the Regulatory Agreement to be recorded against the Inclusionary Rental Unit Property pursuant to Section 7(d) below. The affordability
requirements of this Section 6 shall continue as restrictions on the Inclusionary Rental Unit Property in perpetuity.

Section 7. Schedule for Developing Inclusionary Rental Units. Developer shall provide the Inclusionary Rental Units pursuant to the following schedule:

(a) Prior to the recordation of the final map for the Master Development, this Agreement shall be duly executed by the County and the Developer and recorded against the Inclusionary Rental Unit Property.

(b) If Developer contracts with an affordable housing developer to develop the Inclusionary Rental Units, Developer shall obtain prior County approval of the developer and proposed development agreement for the Inclusionary Rental Units ("Affordable Housing Development Agreement"), which approval shall not be unreasonably withheld. The Affordable Housing Development Agreement shall describe with particularity the financial arrangements for the construction of the Inclusionary Rental Units, the restrictions applicable to the Inclusionary Rental Units and the record keeping obligations for the management of the units.

(c) Prior to release of building permits for the Inclusionary Rental Units or for any Market Rate Units, the Regulatory Agreement shall be executed and recorded against the Inclusionary Rental Unit Property.

(d) Upon satisfying the applicable conditions stated in Section 7(a) –(c) above, as well as satisfaction of all other building permit requirements for the Market Rate Units located in the apartment component of the Master Development, and the Inclusionary Units, building permits may be released by the County for a total of forty-eight Market Rate Rental Units on the Inclusionary Rental Unit Property and for all of the Inclusionary Rental Units on the Inclusionary Rental Unit Property.

(e) Final Certificates of Occupancy, or equivalent, will be issued concurrently for the Inclusionary Rental Units and the Market Rate Rental Units contained in each building.

Section 8. Marketing and Rental of Inclusionary Rental Units. Following completion of construction, the Developer shall rent the Inclusionary Rental Units to Very Low Income Households, Low Income Households, and Moderate Income Households at Affordable Rents in compliance with Sections 3 and 6 above and the Regulatory Agreement. Developer shall submit a marketing and management plan to the County Resource Management Agency, Redevelopment and Housing Office for approval prior to commencing marketing of the Inclusionary Rental Units and shall market the Inclusionary Rental Units in compliance with the marketing and management plan approved by the County Resource Management Agency, Redevelopment and Housing Office. Developer shall grant a preference in rental of the Inclusionary Rental Units to households that live or work in Monterey County. Developer shall comply with applicable fair housing laws in the marketing and rental of the Inclusionary Rental Units, and Developer shall conduct marketing efforts in both English and Spanish. Developer shall accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. During initial rent-up of the Inclusionary Rental
Units, Developer shall refer potential tenants to the County or the County's designee for income and asset certification and not enter into a binding rental agreement with a tenant until County income and asset certification has been completed and Developer has been informed in writing by the County or its designee that the potential tenant is income and asset eligible to occupy the Inclusionary Rental Unit.

Section 9. County Approval of Documents. The following documents, to be approved in writing by the County, shall be used in connection with the rental of the Inclusionary Rental Units.

(a) A marketing and management plan consistent with the terms of this Agreement and the requirements set forth in the Administrative Manual. The marketing and management plan shall include at least the following elements: (i) marketing and tenant selection plan, including marketing procedures, efforts to market to special needs groups, selection process and bi-lingual procedures; (ii) description of property management team; (iii) copies of rental agreements/leases; (iv) procedures for complying with fair housing laws; (v) selection procedures for tenants (including priority for households who live/work within Monterey County); (vi) initial rents and utility allowances (provided by County); and (vii) agreement to maintain adequate property insurance.

(b) Form of rental agreement or lease to be signed by tenants of the Inclusionary Rental Units.

(c) The Regulatory Agreement, in a form to be provided by the County.

Section 10. Compliance Reports, Inspections, Monitoring. Following completion of construction of any of the Inclusionary Rental Units, a Compliance Report meeting the requirements of the Administrative Manual, verifying compliance of all completed Inclusionary Rental Units with the terms of this Agreement and the Regulatory Agreement, and certified as correct under penalty of perjury by the owner of the Inclusionary Rental Units and any property management company managing the units, shall be submitted annually to the County Redevelopment and Housing Office on April 1 of each year, commencing on the April 1 following issuance of final certificates of occupancy for one hundred percent (100%) of the Inclusionary Rental Units. If similar reports on some or all of the Inclusionary Rental Units are required for regulatory compliance with other financing programs, those reports may be deemed satisfactory for the purpose of this section by the County Resource Management Agency, Redevelopment and Housing Office, with respect to the portion of the Inclusionary Rental Units covered by such reports, provided that copies are provided on an annual basis to the County Redevelopment and Housing Office with an owner certification addressed to the County. Developer shall retain all records related to compliance with obligations under this Agreement and Chapter 18.40 for a period not less than five (5) years from the date of origination of such records, and make them available to County employees or others designated by the County for inspection and copying on five (5) business days' written notice. Developer shall permit County employees or others designated by the County to inspect the Property to monitor compliance with this Agreement following two (2) business days' written notice to Developer. The County shall be further entitled to monitor compliance with this Agreement and Chapter 18.40 as provided
the Administrative Manual and Developer shall cooperate in County monitoring, including obtaining tenant income and rent verification upon request of the County.

Section 11. Release of Property From Agreement. The covenants and conditions herein contained shall apply to and bind, during their respective periods of fee ownership, Developer and its heirs, executors, administrators, successors, transferees, and assignees having or acquiring any right, title or interest in or to any part of the Property and shall run with and burden such portions of the Property. The owners of fee title to the Property shall expressly make the conditions and covenants contained in this Agreement a part of any deed or other instrument conveying any interest in such Property. The burdens of this Agreement shall remain in full force and effect and recorded against the Inclusionary Rental Unit Property in perpetuity and the Inclusionary Rental Unit Property shall be restricted in perpetuity for affordable housing use in accordance with the terms hereof; provided, however, if the Inclusionary Rental Units are destroyed or demolished by forces of nature without action by Owner (or irreparably damaged by forces of nature and then demolished by Owner) and such destruction or demolition occurs at least fifty-five (55) years following the date of this Agreement, this Agreement shall terminate upon such destruction or demolition.

Section 12. Default. Failure of the Developer to cure any default in the Developer's obligations under the terms of this Agreement within thirty (30) days after the delivery of a notice of default from the County will constitute a default under this Agreement and a failure to satisfy the Conditions of Approval with respect to the Master Development and the requirements of the Ordinance and, in addition to remedies for breach of this Agreement, the County may exercise any and all remedies available to it under the Subdivision Map Act, Chapter 18.40, or otherwise, with respect to the Developer's failure to satisfy the Conditions of Approval and the requirements of Chapter 18.40 including but not limited to:

(a) withholding, conditioning, suspending or revoking any permit, license, subdivision approval or map, or other entitlement for the Master Development, including without limitation final inspections for occupancy and/or certificates of occupancy;

(b) instituting against the Developer, or other parties, a civil action for declaratory relief, injunction or any other equitable relief, or relief at law, including without limitation an action to rescind a transaction and/or to require repayment of any funds received in connection with such a violation;

(c) where one or more persons have received financial benefit as a result of violation of this Agreement or of any requirement imposed under Chapter 18.40, the County may assess, and institute legal action to recover as necessary, a penalty in any amount up to and including the amount of financial benefit received, in addition to recovery of the benefit received;

(d) prosecuting a misdemeanor against any person who has rented a residential unit at a rent exceeding the maximum allowed under this Agreement or to a household not qualified under this Agreement, or who has otherwise violated Chapter 18.40, or any other agreement, restriction or requirement authorized or imposed under Chapter 18.40;

(e) remedies set forth in the Regulatory Agreement; or
any other means authorized under the Monterey County Code.

Section 13. Remedies Cumulative. No right, power, or remedy given to the County by the terms of this Agreement, the Regulatory Agreement or Chapter 18.40 is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the County by the terms of any such document, Chapter 18.40, or by any statute or otherwise against Developer and any other person. Neither the failure nor any delay on the part of the County to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the County of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

Section 14. Attorneys Fees and Costs. The County shall be entitled to receive from the Developer or any person violating the requirements of this Agreement, in addition to any remedy otherwise available under this Agreement or at law or equity, whether or not litigation is instituted, the costs of enforcing this Agreement, including without limitation reasonable attorneys' fees and the costs of County staff time.

Section 15. Appointment of Other Agencies. At its sole discretion, the County may designate, appoint or contract with any other public agency, for-profit or non-profit organization to perform the County's obligations under this Agreement.

Section 16. Hold Harmless. Developer will indemnify and hold harmless (without limit as to amount) County and its elected officials, officers, employees and agents in their official capacities (hereinafter collectively referred to as "Indemnitees"), and any of them, from and against all loss, all risk of loss and all damage (including expense) sustained or incurred because of or by reason of any and all claims, demands, suits, actions, judgments and executions for damages or any kind and by whomsoever and whenever made or obtained, allegedly caused by, arising out of or relating in any manner to the Master Development, the Inclusionary Rental Units, or Developer's performance or non-performance under this Agreement, and shall protect and defend Indemnitees, and any of them with respect thereto, except to the extent arising from gross negligence or willful misconduct of the County. The provisions of this section shall survive expiration of other termination of this Agreement or any release or part or all of the Property from the burdens of this Agreement, and the provisions of this section shall remain in full force and effect.

Section 17. Insurance Requirements. Until the issuance of certificates of occupancy for all of the Inclusionary Rental Units, Developer and its successors and assigns acquiring title to the Inclusionary Rental Unit Property shall obtain, at their expense, comprehensive general liability insurance for development of the Inclusionary Rental Units, naming Indemnitees as additional named insureds with aggregate limits of not less than Five Million Dollars ($5,000,000), for bodily injury and death and property damage, including coverages for contractual liability and products and completed operations, purchased by Developer or its successors or assigns from an insurance company duly licensed to engage in the business of issuing such insurance in the State, with a current Best's Key Rating of not less than A-V, such
insurance to be evidenced by an endorsement which so provides and delivered to the Department prior to the issuance of any building permit for the Inclusionary Rental Units.

Section 18. Notices. All notices required pursuant to this Agreement shall be in writing and may be given by personal delivery or by registered or certified mail, return receipt requested, to the party to receive such notice at the addressed set forth below:

TO THE COUNTY:

County of Monterey
Redevelopment and Housing Office
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901
Attention: Director

cc: County of Monterey
Office of County Counsel
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901

TO THE DEVELOPER:

Donald and Barbara Chapin
560 Crazy Horse Canyon Road
Salinas, CA 93907

Any party may change the address to which notices are to be sent by notifying the other parties of the new address, in the manner set forth above.

Section 19. Integrated Agreement. This Agreement constitutes the entire Agreement between the parties and no modification hereof shall be binding unless reduced to writing and signed by the parties hereto.

Section 20. Duration and Amendment of Agreement. This Agreement shall remain in effect for so long as the Property is subject to inclusionary housing obligations pursuant to the Ordinance. As provided in Sections 6 and 11 above, the Inclusionary Rental Unit Property shall be restricted in perpetuity for affordable housing use in accordance with the terms hereof. This Agreement, and any section, subsection, or covenant contained herein, may be amended only upon the written consent of the Assistant County Officer for Environmental Resource Policy of the County Administrative Office, who shall have authority to approve or disapprove minor or technical amendments on behalf of the County. If the amendment makes a substantive or material change to this Agreement it shall be effective only following approval of the governmental authority that gave the First Approval for the Master Development.
Section 21. **No Claims.** Nothing contained in this Agreement shall create or justify any claim against the County by any person that Developer may have employed or with whom Developer may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Property, the Inclusionary Rental Unit Property, or the construction of the Master Development or Inclusionary Rental Units.

Section 22. **Applicable Law.** This Agreement shall be governed by California law.

Section 23. **Waivers.** Any waiver by the County of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the County to take action on any breach or default of Developer or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Developer to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the County to any act or omission by Developer shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the County’s written consent to future waivers.

Section 24. **Title of Parts and Sections.** Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement’s provisions.

Section 25. **Multiple Originals; Counterpart.** This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 26. **Recording of Agreement.** The Developer shall cause this Agreement to be recorded against the Property (which includes the Inclusionary Unit Property) in the Official Records of the County of Monterey.

Section 27. **Severability.** In the event any limitation, condition, restriction, covenant, or provision contained in this Agreement is to be held invalid, void or unenforceable by any court of competent jurisdiction, the remaining portions of this Agreement shall nevertheless, be and remain in full force and effect.

Section 28. **Exhibits.** The following exhibits are attached to this Agreement:

- **Exhibit A** Legal Description of the Property
- **Exhibit B** Location of Inclusionary Rental Units
- **Exhibit C** Income Level, Size and Bedroom Count of Inclusionary Rental Units
- **Exhibit D** Schedule Maximum Initial Rent for Inclusionary Rental Units and Maximum Income Level of Tenants.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

DEVELOPER:
Donald D. Chapin Jr and Barbara A. Chapin, a California MARRIED COUPLE

COUNTY:
County of Monterey, a political subdivision of the State of California

By: [Signature]
Is:

APPROVED AS TO FORM:

By: [Signature]
County Counsel

STATE OF CALIFORNIA

COUNTY OF MONTEREY

On June 10, 2011 before me, Darla A. Smith, Notary Public, personally appeared Donald D. and Barbara A. Chapin, 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 Darla A. Smith

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STATE OF CALIFORNIA

COUNTY OF MONTEREY

On June 16, 2011 before me, Gretchen J. Markley, Notary Public, personally appeared Jim Cook, 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: Gretchen Markley

(Seal)

Commission # 1842318
Exp. Apr. 24, 2013
EXHIBIT A

Legal Description of Inclusionary Rental Property

That property situated in Monterey County, in the unincorporated area, State of California, described as follows:

Parcel ___ as shown on that Certain Subdivision Map entitled ______ Recorded on ______, in volume ___ of Vesting Subdivision Maps, at Page ___, official records of Monterey County, California.

END OF EXHIBIT A
## Inclusionary Rental Units

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<th>Income Level of</th>
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<th>Number of Bedrooms</th>
<th>Square Footage</th>
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<td>2 BR</td>
<td>899 SF</td>
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EXHIBIT D

SCHEDULE OF MAXIMUM INITIAL RENTS FOR INCLUSIONARY RENTAL UNITS

Based on 2010 HCD Area Median Income (AMI) Tables, (subject to change pursuant to HCD AMI Tables and the Inclusionary Administrative Manual)

A. Maximum Initial Rent. (must subtract utility allowance to calculate amount that may be actually charged to Tenant)

1. Moderate Income Units (3 bedroom) $1,818.00
2. Moderate Income Units (2 bedroom) $1,636.00
3. Lower Income Units (3 bedroom) $993.00
4. Lower Income Units (2 bedroom) $895.00
5. Very Low Income Units (2 bedroom) $826.00
6. Very Low Income Units (1 bedroom) $744.00

B. Maximum Income of Tenant

1. Moderate Income (120% AMI)
   6 person household $92,000.00
   5 person household $85,650.00
   4 person household $79,300.00
   3 person household $71,350.00
   2 person household $63,450.00
   1 person household $55,500.00

2. Lower Income (80% AMI)
   6 person household $61,400.00
   5 person household $57,150.00
   4 person household $52,900.00
   3 person household $47,650.00
   2 person household $42,350.00
   1 person household $37,050.00

Exhibit D
Chapin – Axtell St Apartments
Final 6-3-11
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<th>Household Size</th>
<th>Income Limit</th>
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