

**Non-binding Summary Term Sheet for the Stone Pine Cove Loan Agreement**

**County of San Mateo**

This document provides a summary of specified terms of the Stone Pine Cove Loan Agreement for discussion and informational purposes only, and is not meant to be binding on any party now or in the future. This document is not a contract or agreement, and no party will be under any legal obligation of any kind whatsoever with respect to a transaction, by virtue of this non-binding document or any written or oral expression thereof.

**Parties:**

- Lender: County of San Mateo
- Borrower: [Borrower Names]

**Property:**

- Unit: [Manufactured home unit details, including year, make, model, Decal number, and Serial number]
- Location: 830 Stone Pine Road, Half Moon Bay, CA 94019, Space Number [Space #]

**Borrower/Eligible Buyer:**

- Agricultural worker
- Low-income household at [X]% Area Median Income
- Lived/worked in San Mateo County for at least one year
- First time homebuyer
- Must be 18 years or older.

**Loan Terms:**

- Loan Amount: \$[Loan Amount]
- Loan Purpose: To finance the purchase of the Unit.
- Interest Rate: 0%
- Loan Term: 20 years
- Principal Payments: Deferred until the Maturity Date. No monthly payments required.
- Loan Forgiveness: 10% of the original loan principal shall be forgiven annually for each year beyond the 10th year. 100% forgiven after 20 years.
- Prepayment Penalty: None
- Conditions to Loan Closing: Execution of loan agreement, promissory note, title documents, and space lease agreement. Satisfactory insurance policy.

**Terms and Obligations of Borrower:**

There are obligations that the Owner (s) of the Unit must adhere to for the entire period of ownership. These obligations remain even after the loan has been forgiven or has matured.

- **Section 2**
  - Borrower must occupy the Unit as their primary residence for at least 10 months a year.
  - Renting or leasing the Unit is generally prohibited.
  - Occupancy of Unit is limited to two (2) persons per bedroom plus one (1) additional person.
  - Borrower must maintain the property and have adequate insurance for the Unit at all times.
  - No additional liens or encumbrances may be placed on the Unit's title without the County's

approval.

- **Section 4** – Specifies which transfers of the Unit (including sales) are permitted and the required procedures that govern such transfers.
- **Section 5** – Sets resale limitations and procedures including the requirement to sell only to an Eligible Buyer at the Maximum Resale Price.
- **Section 6** – The County has an option to purchase the Unit directly from the Borrower, for an amount not to exceed the Maximum Resale Price.
- **Section 8**
  - Owner must follow the terms of the Space Lease Agreement.
  - The Unit may not be moved physical or replaced by Owner.
  - Owner must continue to pay taxes, registration, and utilities for the Unit.
  - Household Program eligibility will be subject to ongoing annual monitoring by the County.
  - No cash-out refinancing, or new liens are permitted without prior written County approval.
  - At time of annual monitoring, if Household income is greater than eighty percent (80%) of Area Median Income for San Mateo County, Borrower’s space rent may be increased to the lesser of 30 percent (30%) of the household’s actual monthly household income or to a comparable market rate rent for a unit of comparable size, upon sixty (60) days’ written notice of Borrower. Any increases are subject to applicable state and local laws.

**Permitted Transfers:**

These provisions are meant to preserve long-term affordability and protect the County’s public investment in the farmworker housing loan program. The allowable/permitted transfers of the Unit are summarized below, which are subject to the terms and conditions stated in the Loan Agreement:

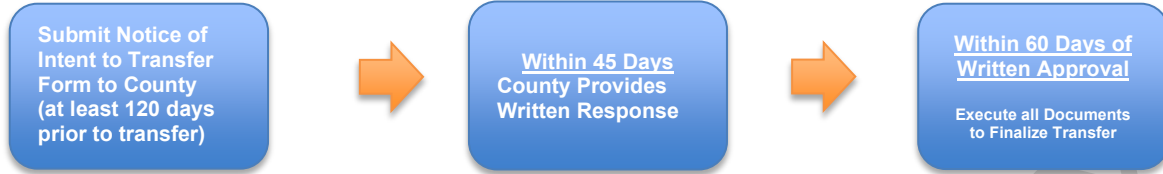
- Adding a spouse or domestic partner as co-borrower/co-owner.
- Transfer to a spouse, domestic partner, or natural/adopted children if they qualify as an Eligible Buyer.
- Upon death of the Borrower, transfer to an inheritor if they qualify as an Eligible Buyer and assume the loan agreement. If heirs do not qualify or decline to assume the agreement, they must sell the Unit, subject to the County’s resale restrictions.
- Transfer to a trust in which Borrower is the beneficiary, trustor, trustee of the trust.
- Transfer by Sale to an Eligible Buyer, subject to County’s approval processes and County’s purchase option. Borrowers do not need to identify the Eligible Buyer when notifying the County of intent to sell.

**Resale Restrictions:**

- Only Eligible Buyers/the County: Even after loan maturity or forgiveness, the Unit can only be resold to the County or a County-approved Eligible Buyer—A low-income agricultural worker who meets program criteria.
- Maximum Resale Price: The sale price of the Unit remains capped by the Maximum Resale Price, which limits appreciation to the lower of 2% or CPI annually, regardless of market value. The Maximum Resale Price will be adjusted by any Repair Costs if such costs are not otherwise deducted from Borrower’s proceeds at time of transfer
- No broker commissions: Borrowers cannot contract with real estate brokers, and sales must go through procedures set by the County.
- No side payments: Borrowers may not accept money or property outside of escrow in connection with the transfer/sale of the Unit.

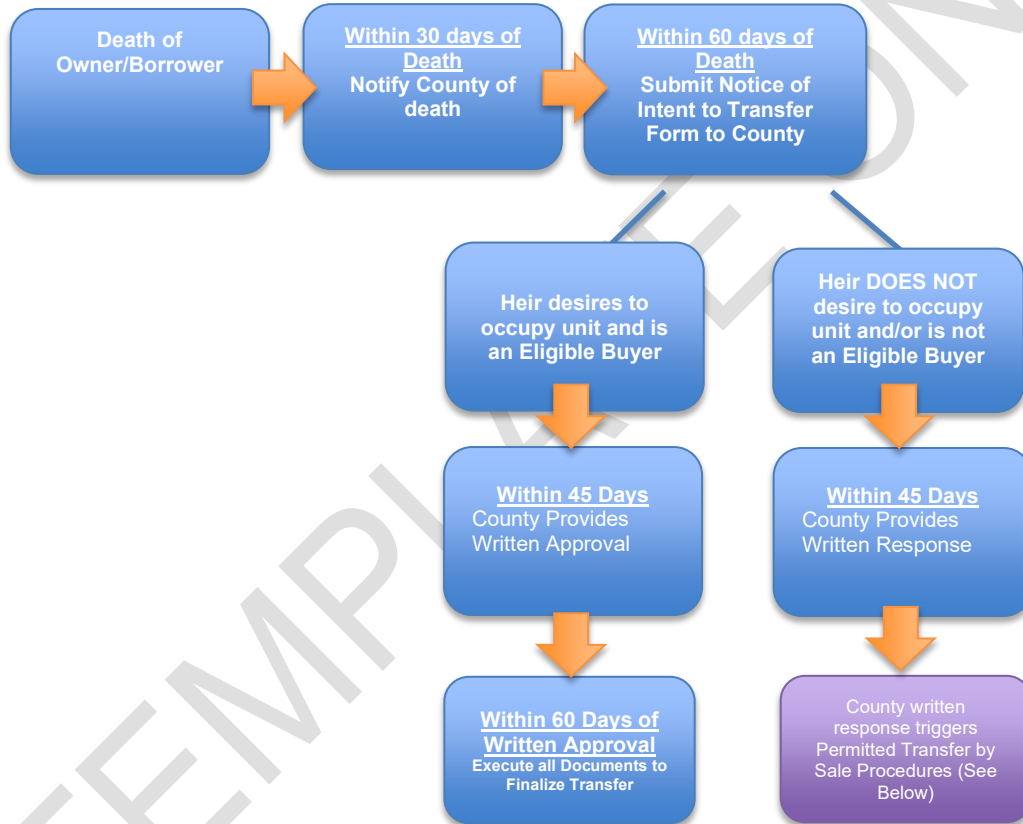
**General Permitted Transfer Timeline:**

Borrowers must submit a Notice of Intent to Transfer Form when initiating any transfers of the Unit. This form will be provided as an attachment to the loan agreement.



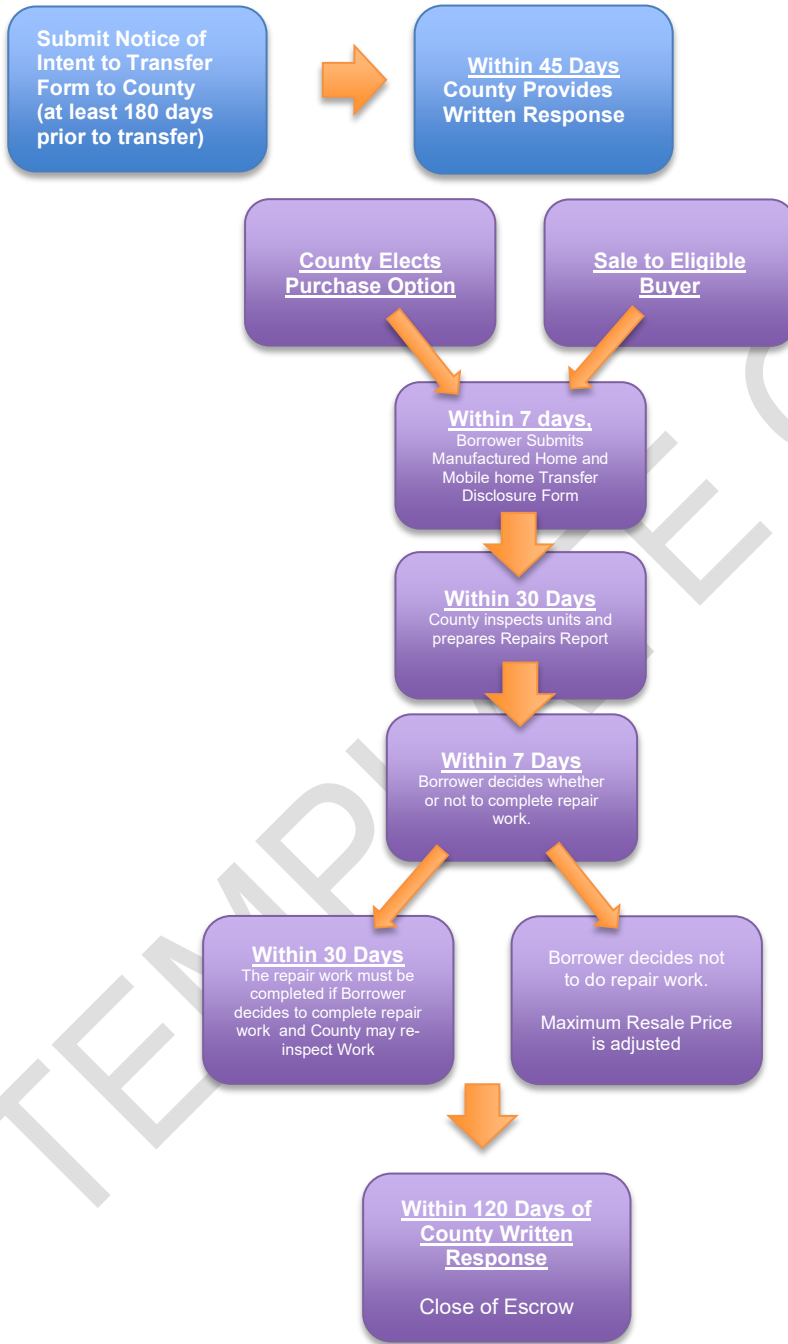
**Permitted Transfer Timeline (Following Death of Borrower):**

Upon death of the Borrower, the unit may be transferred to an inheritor if they qualify as an Eligible Buyer. If heirs do not qualify or decline to assume the agreement, they must sell the Unit, subject to the County’s resale restrictions.



**Permitted Transfer by Sale Timeline:**

If Borrowers want to sell their home, they do not need to identify the Eligible Buyer when notifying the County. However, they must notify the County at least 180 days in advance of the sale to provide enough time to follow the outlined processes. The County has the option to purchase the Unit from the Buyer or find an Eligible Buyer to purchase the Unit.



**Lender's Rights:**

- Security Interest: County has a security interest in the Unit, evidenced by a title lien.
- Purchase Option: The County retains an option to purchase the Unit for an amount not to exceed the Maximum Resale Price if the Borrower intends to sell or is in default.

**Default and Remedies:**

- Event of Default: Defined in the Agreement, including Borrower misrepresentations, non-occupancy of unit, prohibited transfers, renting out of unit, moving/replacement of Unit, recording liens against Unit, violation of Space Lease Agreement, and failure to maintain the Unit.
- Lender's Remedies: Upon default, County may declare the outstanding loan principal immediately due and payable and exercise any other rights and remedies under the agreement.
- Cure Periods: Depending on the nature of the default, Borrower may be given a 30-day period to cure defaults upon written notice from the County.

**I have read and understand the above Summary Term Sheet for the Stone Pine Cove Loan Agreement. All Borrowers must review and sign.**

Date: \_\_\_\_\_

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Borrower