

**MEMORANDUM OF UNDERSTANDING**  
**2902 Adeline Street**

This Memorandum of Understanding (“MOU” or “Agreement”) is entered into on March 7, 2017, by and between Realtex, LLC (“Developer”) and Chris Schildt (“Friends of Adeline”). This Agreement is intended to be a legally binding document. The parties to this Agreement agree to use their respective good faith, best efforts to complete and execute definitive documents not later than 30 days after the date of this Agreement.

**RECITALS**

- A. Developer is the sponsor of a proposal to construct 50 dwelling units, including: three residential lofts, 34 one-bedroom units and 13 two-bedroom units; 4,119 square feet of commercial space that consists of one 841-square-foot commercial space and four live/work units; 4,071 square feet of open useable space including the rear yard, podium level terrace, and roof deck; stacked parking for 24 vehicles; and 56 secure bicycle parking spaces located at 2902 and 2908 Adeline Street & 1946 Russell Street (“Project”) in the City of Berkeley (“City”).
- B. Friends of Adeline is a broad-based South Berkeley community group comprised of local residents who believe that affordable housing is a right and that development should be used to increase the health of the community.
- C. On October 27, 2016, the City of Berkeley Zoning Adjustments Board (“ZAB”) granted the Project all discretionary approvals, specifically Use Permit #ZP2015-0177.
- D. On March 7, 2017 the Developer and Friends of Adeline reached an agreement on terms of a settlement that are outlined below.
- E. The Developer and Friends of Adeline now desire to enter into this Agreement to acknowledge and agree that the terms and conditions set forth below have been agreed to by the parties.

**NOW, THEREFORE**, the Developer and Friends of Adeline hereby agree as follows:

- 1. **Friends of Adeline’s Obligations.** Pursuant to the terms of this Agreement, Friends of Adeline agrees to the following:
  - A. **Friends of Adeline agrees to publicly support the Project.** Representatives of Friends of Adeline agree to attend the March 7, 2017 City Council Hearing to affirm ZAB’s decision to approve the Project.
  - B. **Friends of Adeline hereby waives any right to future challenges,** legal or administrative, against the Project and agrees not to encourage, assist, or cooperate with any party, directly or indirectly, to challenge the Project.
- 2. **Developer Obligations.** Pursuant to the terms of this Agreement, the Developer agrees to the following:

A. **20% Affordable Residential Units Constructed On-Site:**

- Developer shall provide, for the life of the Project, a number of units equal to 20% of the market rate units in the project at rental rates affordable to low-income and very low-income households under Berkeley Municipal Code Section 22.20.065.

B. **Contribution to Community Benefits Fund:**

- Developer shall contribute \$100,000 to the City to establish the City's Office of the Anti-Displacement Public Advocate, to be located in a community agency, which will be tasked with preventing the displacement of Berkeley residents, community, faith and cultural institutions, and small businesses.

C. **Construction Standards Enforcement:**

- Developer shall provide residents living within 300 feet of the Project, particularly the residents of Harriet Tubman Senior Housing Facility, construction standards to ensure the welfare and health of residents during the time of construction. In addition to compliance with the existing mandatory safety and construction standards, Realtex shall at minimum set up regular meetings with residents of Harriet Tubman Senior Housing Facility to ensure adequate enforcement of the construction standards.

A. **Successors and Assigns.** All of the terms and conditions set forth herein shall be binding upon and inure to the benefit of the Project's successors and assigns. Developer retains the right to assign this Agreement in its sole discretion.

B. **Agreement Made in California; Venue.** The formation, interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in Oakland.

C. **Severability.** Except as otherwise provided herein, if any provision(s) of this Agreement is (are) held invalid, the remainder of this Agreement shall not be affected, except as necessarily required by the invalid provisions, and shall remain in full force and effect unless amended or modified by mutual consent of the parties.

D. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute the same instrument, with the same effect as if all of the parties to this Agreement had executed the same counterpart.

E. **Authority.** The individuals executing this Agreement on behalf of their respective parties represent that they have the legal power, right, and actual authority to execute this Agreement and bind their respective parties.

IN WITNESS WHEREOF, the undersigned have indicated their approval effective as of the respective dates set forth next to their names.

APPROVED:

Friends of Adeline

\_\_\_\_\_  
Chris Schildt  
Authorized Representative

\_\_\_\_\_  
Date

Realtex, LLC  
a California limited liability company

By: Realtex, LLC  
A California limited liability company  
Its: Executive Vice President

By: \_\_\_\_\_  
Cody Fornari  
Its: Executive Vice President

\_\_\_\_\_  
Date