

December 7, 2018

Barbara J. Schussman
BSchussman@perkinscoie.com
D. +1.415.344.7168
F. +1.415.344.7368

James R. Williams
County Counsel
Santa Clara County Counsel's Office
70 West Hedding Street, East Wing, 9th Floor
San José, CA 95110

Re: Tolling Agreement Requested by Stanford University

Dear Mr. Williams:

This letter confirms our understanding that the County has rejected Stanford University's request to toll the period by which Stanford must file a lawsuit to challenge County Ordinance No. NS-1200.368, which imposes rent and income restrictions upon new housing at Stanford University without imposing similar requirements on any other new housing within the County's land use jurisdiction. Stanford objected to the ordinance on the ground that on its face the ordinance violates constitutional equal protection principles, as well as raising other legal flaws.

We asked that the County toll the period for filing suit because we believe there is a high probability that we can avoid litigation by arriving at a collaborative, mutually acceptable solution through a Development Agreement. Stanford is a proponent of affordable housing, and historically has built most of the affordable housing in unincorporated Santa Clara County. The County has recognized this by counting several hundred units on the Stanford campus as affordable to very low and low-income households for purposes of satisfying the County's Regional Housing Needs Allocation. Stanford intends to provide still more affordable housing through its proposed 2018 General Use Permit. We are engaged in discussions about a Development Agreement for the 2018 General Use Permit, with affordable housing one of the key components of those discussions.

We continue to believe that a tolling agreement would be in the best interest of both the County and Stanford because such an agreement allows the parties to explore a mutually satisfactory solution without incurring the legal fees associated with litigation. If, at the end of the tolling period, the parties do not reach agreement neither has given up any of its rights or defenses. Nothing is lost by entering into a tolling agreement, and much can be gained.

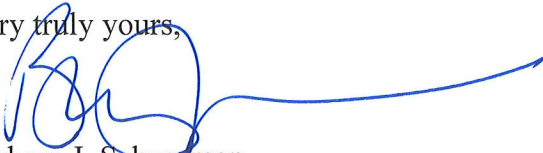
We understand that the County has entered into similar tolling agreements in the past. In our experience, other cities and counties regularly enter into such agreements.

It is not our preference to file a lawsuit to challenge the County's ordinance. However, absent a tolling agreement, we will be left with no option but to do so to preserve our rights. If the

James Williams
December 7, 2018
Page 2

County changes its position as to a tolling agreement, please advise us no later than December 19, 2018. We will refrain from filing suit until that date in the hope that the County will decide to enter into the tolling agreement.

Very truly yours,



Barbara J. Schussman

cc: Debra Zumwalt, Esq.
Robert Reidy, Vice President, Land Buildings & Real Estate
Catherine Palter, Associate VP, Land Use & Environmental Planning
Jean McCown, Director, Community Relations
Elizabeth Pianca, Lead Deputy County Counsel