

CPP/CRDP HOUSING AGREEMENT

SATELLITE AFFORDABLE HOUSING ASSOCIATES

(RCEB CRDP 2023-2024, #1)

This Community Placement Plan/Community Resource Development Plan (CPP/CRDP) Housing Agreement (this “**Agreement**”), dated for reference purposes as of June 01, 2024 (the “**Effective Date**”), is entered into by and between Thornton, L.P., a California limited partnership (hereinafter, the “**Owner**”) and Regional Center of the East Bay, Inc., a California nonprofit corporation (“**RCEB**”), in accordance with the following facts:

A. The Consumers. RCEB provides services to individuals with developmental disabilities (as defined in the California Welfare & Institutions Code Section 4512) (“the **Consumers**”) in the counties of Alameda and Contra Costa, California.

B. The Owner; the Property. Owner, holds fee simple title to 6347, 6361 and 6375 Thornton Avenue, Newark, California 94560 (“the **Property**”) in the County of Alameda. Owner represents and warrants that (i) Owner’s general partner is Satellite AHA Development, Inc., a California nonprofit public benefit corporation (“**SADI**”) and (ii) that Satellite Affordable Housing Associates, a California nonprofit public benefit corporation (“**SAHA**”) is the ultimate controlling entity of SADI. in that it appoints the majority of its board members

C. SAHA’s Mission. SAHA represents and warrants that it has the experience and expertise to develop and manage affordable rental apartments for individuals with special needs, including individuals with developmental disabilities, and that its mission is to provide quality affordable homes and services that empower people and strengthen neighborhoods.

D. The Apartments. Owner intends to develop the Property as an affordable housing project consisting of new construction of 57 rental apartments and related facilities (collectively, the “**Apartments**”).

E. RCEB-Restricted Units. SAHA shall cause the Owner to provide a set-aside of ten (10) rental apartments at the Property to Consumers who are Extremely Low-Income and Very Low-Income (as defined by California Health and Safety Code Section 50105) (“**RCEB-Restricted Units**”). The RCEB-Restricted Units shall consist of seven (7) one-bedroom apartments; two (2) two-bedroom apartments and one (1) three-bedroom apartment.

F. CPP/CRDP Guidelines. The California Department of Development Services (“**DDS**”) has published Guidelines for Purchasing and Developing Permanent Housing through the Regional Center Community Placement Plan/Community Resource Development Plan for Fiscal Year 2017-18, Requests and Modifications (the “**CPP/CRDP Guidelines**”). The CPP/CRDP Guidelines include Appendix N entitled, “Community Placement Plan Multi-Family Housing” (the “**Multi-Family Provisions**”). Owner acknowledges that it has reviewed and understands the

CPP/CRDP Guidelines, including the Multi-Family Provisions and all other Appendices thereto. All references in the CPP/CRDP Guidelines to the “NPO” and the “HDO” means Owner. Owner is responsible for pursuing and monitoring Owner’s compliance with all CPP/CRDP Guidelines applicable to the Property that can be satisfied solely by the Owner. Exhibit D lists features of items that may conflict with the CPP/CRDP Guidelines. RCEB acknowledges that it has reviewed and approved Exhibit D. SAHA is responsible for promptly notifying RCEB and DDS in writing whenever it has been unable to secure the compliance of Owner with any of the CPP/CRDP Guidelines applicable to the Property that can be satisfied solely by the Owner.

G. Housing Proposal; Funding Approval; CPP/CRDP Funds. In accordance with the CPP/CRDP Guidelines, RCEB (with Owner’s assistance) shall submit a housing proposal to DDS requesting funds for the construction of the Apartments for the benefit of Consumers. DDS’s Letter of Conditional Approval (as defined in the CPP/CRDP Guidelines), by which DDS conditionally agrees to fund the housing proposal, is hereinafter referred to as a “**Funding Approval**”, and the funds that DDS will provide to RCEB pursuant to the Funding Approval are hereinafter referred to as “**CPP/CRDP Funds**”; *provided, however*, notwithstanding anything in this Agreement to the contrary, RCEB shall have no financial or other obligation of any nature with respect to the Property until DDS gives its final approval under the Multi-Family Provisions of the CPP/CRDP Guidelines.

H. Occupancy by Consumers. Starting prior to the Owner’s completion of construction of the Apartments on the Property, Owner is responsible for implementing the marketing, lease-up and assistance with unit design for the RCEB-Restricted Units and for collaborating with RCEB to help encourage each Consumer to receive Independent Living, Supported Living, Housing Support Services and other RCEB-provided services that will promote successful living at the Property in accordance with each Consumer’s Individual Program Plan (“**IPP**”). Participation in services is not a requirement of tenancy.

I. Purpose of Agreement. The purpose of this Agreement is to describe RCEB’s and the Owner’s rights and obligations to each other with respect to development and management of the Apartments and SAHA’s management of the RCEB-Restricted Units, and the provision of supportive services to Consumers living at the Property, conditioned on RCEB’s receipt of Funding Approval and final approval from DDS.

NOW THEREFORE, in consideration of the following mutual covenants, RCEB and Owner agree as follows:

1. The Amount of CPP/CRDP Funds. The maximum amount of FY 2023-2024 CPP/CRDP Funds available for qualifying predevelopment, the demolition and construction of the Apartments is One Million, Five Hundred Thousand Dollars (\$1,500,000) (See Exhibit A). The Owner must ensure the expenditure of all of the CPP/CRDP Funds by March 31, 2026; any unspent funds will revert to the State.

2. Uses of CPP/CRDP Funds. The CPP/CRDP Funds may be used for renovation and construction costs of the Apartments pursuant to a final budget (the “**Final Budget**”) which SAHA shall submit to RCEB for approval within 15 days after the City of Newark approves the final plans and specifications for the construction of the Apartments on the Property.

2.1 Portion of Costs. The CPP/CRDP Funds constitute only a portion of the total estimated cost of \$45.6 Million necessary for the development of the Apartments at the Property. The application of the CPP/CRDP Funds to cover specific development costs shall be subject to the approval of RCEB from among the following permitted uses of CPP/CRDP Funds, taking into account requirements and priorities of other funders of the Apartments:

2.1.1 Pre-Development Expenses: Architecture, engineering, and other third party costs incurred by Owner to plan for the design, renovation, demolition and construction of the Improvements

2.1.2 Renovation and Demolition: Costs incurred by the Owner to rehabilitate the existing structures that will be retained at the Property, if any, and to demolish any structures that will be replaced by new construction; and

2.1.3 New Construction: Costs incurred by the Owner to construct the Apartments at the Property.

2.2 Compliance with State Administrative Manual. Approval of payment(s) by RCEB and provisions for payment are subject to the terms and conditions which are set forth in the State Administrative Manual (SAM) requirements for subvention aid contracts, and are limited to those expenses which are designated as acceptable items.

2.3 No Use of CPP/CRDP Funds and Other Funds for Same Purpose. SAHA shall ensure that CPP/CRDP Funds are not used for any costs and expenses already funded or committed to be funded by any other funding sources for the development of the Property.

3. Disbursement of CPP/CRDP Funds.

3.1 Disbursement; Funding Conditions. Provided the CPP/CRDP Funds are expended not later than March 31, 2026, RCEB shall disburse the maximum amount of One Million, Five Hundred Thousand Dollars (\$1,500,000) of CPP/CRDP Funds in the form of a 55 year fully deferred loan to reimburse Owner for qualifying expenses for the Apartments in accordance with the terms of this Agreement. RCEB shall disburse such funds at the closing of the construction loans for the Apartments, as provided in Section 3.3 below, after (i) RCEB's approval of the Final Budget and (ii) the Owner's execution and delivery of all of the instruments described in Section 11 below. The terms of the loan shall be governed by the DDS Note and DDS Deed of Trust (defined below); if an inconsistency concerning any terms or conditions of the loan exists between this Agreement and the DDS Note or DDS Deed of Trust, the terms of the DDS Note and DDS Deed of Trust shall prevail.

3.2 Construction of Apartments. The CPP/CRDP Funds shall be applied to eligible project costs, provided the CPP/CRDP Funds are disbursed to the Development Escrow Account and the account is fully expended by March 31, 2026.

3.3 Development Escrow Account. The CPP/CRDP Funds earmarked by RCEB for the development of the Apartments on the Property shall be disbursed by RCEB directly to an escrow holder (the "**Escrow Agent**") for a construction escrow account held by Old Republic Title Company (the "**Development Escrow Account**") for the transaction, along with escrow

instructions for the Escrow Agent's proper use of such funds. RCEB may elect to disburse its funds by check or wire transfer; *provided, however*, if RCEB elects to provide a check, RCEB shall deliver the check at least 10 days before the expected close of construction financing.

3.4 Disbursement Contingent on Recording of Documents. RCEB's escrow instructions shall provide that the Escrow Agent shall not disburse any CPP/CRDP Funds to the Owner or for its benefit until the escrow agent records the Regulatory Agreement and DDS Deed of Trust described in Section 11 below and delivers the DDS Note in Section 11 below.

3.5 Delivery of Documents to DDS. In the event that SAHA or RCEB receives the original DDS Note, the DDS Deed of Trust and/or the Regulatory Agreement, such party is responsible for timely delivery of these documents to DDS.

4. Applicability of CPP/CRDP Guidelines. Owner shall at all times comply with the requirements in the CPP/CRDP Guidelines. If DDS imposes new obligations in revised or amended CPP/CRDP guidelines that did not appear in the current CPP/CRDP Guidelines, or that contradict earlier CPP/CRDP guidelines, or if any inconsistency exists between the terms of this Agreement and the CPP/CRDP Guidelines, the terms of the CPP/CRDP Guidelines shall prevail with respect to the Property, except for the list of features of the Apartments that may conflict with the CPP/CRDP Guidelines attached hereto as Exhibit D. RCEB acknowledges that it has reviewed and approved Exhibit D. Notwithstanding the foregoing, Owner acknowledges and agrees, , to comply with any reasonable changes or additions to the requirements and obligations in the CPP/CRDP Guidelines.

5. Term. Subject to the provisions in Section 1 above, the term of this Agreement shall commence on the Effective Date and end on March 1, 2036, subject to any earlier termination as provided in this Agreement. However, the termination or expiration of this Agreement shall not affect the continued enforceability of the documents intended to survive its termination as provided in Section 11.

6. Property Development Implementation Plan. Once DDS issues Funding Approval to RCEB, Owner will work collaboratively with RCEB and to ensure the development of the Apartments on the Property and provide for the occupancy of RCEB-Restricted Units by Consumers, in accordance with an implementation plan for the development of the Property (the "**Implementation Plan**") submitted to RCEB for approval prior to commencement of construction at the Property. RCEB will be afforded the opportunity to review the Property Management Agreement for the development. The Implementation Plan will contain all information required by the CPP/CRDP Guidelines. Thus, for example, the Implementation Plan shall (1) specify a process that ensures compliance with all state and local building requirements, including without limitation RCEB's receipt of verification that the project has received all applicable required permits prior to the start of any demolition, construction, or renovation and (2) contain a detailed financing plan, along with a construction and operations budget containing the information required by the CPP/CRDP Guidelines. Owner shall update and revise the Implementation Plan at RCEB's request.

7. Financial Analysis; Corrective Action Plan. At any time prior to loan closing / escrow funding, RCEB may at any time perform a financial analysis of the Owner's financial

statements, and the Owner shall fully cooperate in such process. Such analysis may include, but not be limited to, a calculation of the Owner's debt coverage ratios (including debt to earnings ratio, debt to equity ratio, and EBITDA ratios), cash reserves, working capital and operating margin. If RCEB is reasonably concerned about the Owner's financial condition after completing such analysis, based on either current year status or multi-year trends, the Owner will cooperate with RCEB in implementing a corrective action plan to improve its financial condition to RCEB's reasonable satisfaction. If the Owner is either unwilling or unable to timely implement such plan to RCEB's reasonable satisfaction, RCEB may terminate this Agreement with respect to the Property at any time.

8. Notices to RCEB. Owner shall notify RCEB in writing (1) when the Owner opens the Development Escrow Account for the receipt and disbursement of funds for construction and other development expenses; (2) when final plans for the Apartments have been entitled by the responsible local agency; (3) when a construction contract has been entered into by the Owner; (4) when a Notice of Completion is recorded for construction; (5) when a certificate of occupancy has been issued by the responsible local agency; and (6) when any construction financing converts to or is replaced by permanent financing. Owner acknowledges that RCEB requires this information to comply with its quarterly and annual reporting duties to DDS under the CPP/CRDP Guidelines. Notwithstanding anything herein to the contrary, Owner shall not obligate any funds from DDS pursuant to this Agreement until DDS has given final approval for the Owner to be the NPO for this project and has also approved the proposed Implementation Plan for the Property under Section X.B of the CPP/CRDP Guidelines.

9. Scope of Services. Owner is acting as independent contractors of RCEB to pursue the interest of Consumers with respect to housing opportunities at the Apartments. Owner will use its best efforts to monitor the design, financing, development, leasing, and management of the Apartments by the Owner to ensure that RCEB's goal of providing high-quality, affordable and inclusive housing to Consumers is furthered. In addition, Owner shall provide the following services to Consumers which will enable SAHA to protect RCEB's interest in the RCEB-Restricted Units over the term of the Agreement: (i) coordinating with RCEB to maximize the initial marketing of the housing opportunity to Consumers; (ii) helping Consumers participate successfully in the application process and leasing of the Apartments; collaborating with RCEB to maintain an active waiting list for the RCEB Restricted Units to help Consumers continue to apply for RCEB-Restricted Units that become vacant after the initial leasing of the Apartments; and (iii) providing individual housing retention services to Consumers living at the Apartments to promote their housing stability, or coordinating such services with other vendors.

9.1 Occupancy by Consumers. Owner shall develop and implement a marketing and outreach plan for the lease-up of the Apartments, including the RCEB-Restricted Units. No Consumers shall occupy the Apartments at the Property until the Apartments have received a Certificate of Occupancy by the responsible local agency.

9.2 The Leases. Starting prior to completion of construction of the Apartments, Owner will coordinate with RCEB to assist Consumers in learning of, applying for, and renting the RCEB-Restricted Units pursuant to individual leases in each Consumer's name (each, a "**Lease**"). In addition, Consumers may participate in the lottery for other units available at the Apartments. OWNER will also provide housing retention services to the Consumers who enter

into a Lease at the Apartments to enable them to satisfy all of a tenant's responsibilities and enjoy all of a tenant's rights under the Lease. Owner's housing retention services are in addition to any Supported Living Services or Independent Living Services that Consumers living at the Property may require.

10. Lender's Agreement to Provide Notice and Cure Rights.

10.1 Definitions. A "**Lender**" means an institutional lender or government agency that makes a Loan to the Owner, the proceeds of which are applied to pay the costs of demolition, construction and development of the Apartments, and such lender's successors or assigns, and any lender that makes a Loan to refinance any such Loan. A "**Loan**" means a loan from a Lender to the Owner, secured by the lien of a deed of trust encumbering a Property (the "**Deed of Trust**").

10.2 Financing Responsibility and Agreement to Subordinate. It is the Owner's sole responsibility to apply for and obtain all Lender financing for development of the Apartments on the Property (including construction financing and permanent financing). RCEB understands and agrees that it may be required to subordinate the DDS Deed of Trust and the Regulatory Agreement as a condition of qualifying for such additional financing. Owner is solely responsible for properly administering all construction funds including, but is not limited to, preparing and submitting applications for funding, executing funding agreements, preparing requests to draw down funds, and preparing all required reports.

11. Delivery and Recording of DDS Documents. Prior to the disbursement of any CPP/CRDP Funds, Owner shall sign and (for the documents in Sections 11.1 and 11.3) notarize and cause to be recorded against the Property, the following documents to evidence the agreement of all the parties that the RCEB-Restricted Units shall be used and occupied by Consumers in accordance with the provisions and restrictions of the CPP/CRDP Guidelines:

11.1 Regulatory Agreement. The Owner shall execute a Regulatory Agreement in favor of DDS (the "**Regulatory Agreement**"). The purpose of the Regulatory Agreement is to insure that the RCEB-Restricted Units shall be used and occupied only by Consumers in accordance with the provisions and limitations in the CPP/CRDP Guidelines. The parties agree to execute, amendments and modifications to the Regulatory Agreement as reasonably requested by DDS.

11.2 DDS Note. The Owner shall execute a Promissory Note in favor of DDS (the "**DDS Note**"). -

11.3 DDS Deed of Trust. The Owner shall execute and notarize a Deed of Trust in favor of DDS (the "**DDS Deed of Trust**") and cause it to be recorded against the Property. The purpose of such document is to secure the Owner's obligations to DDS, including the obligations under the Regulatory Agreement.

11.4 Contingencies. The forms of the Regulatory Agreement, DDS Note, and DDS Deed of Trust shall be provided by DDS. The Owner's review, approval, execution and delivery of the Regulatory Agreement, DDS Note and DDS Deed of Trust is a condition precedent to the validity of this Agreement, for the benefit of both RCEB and SAHA. DDS acknowledges

that the other Lenders and the tax credit investor will need to review and approve the Regulatory Agreement, DDS Note, and DDS Deed of Trust and may require amendments to this Agreement.

11.5 Responsibility of Owner. At all times during the ownership of the Property, SAHA shall ensure that Owner complies with all of the provisions in the Regulatory Agreement, the DDS Note or DDS Deed of Trust and for negotiating any amendments of the DDS documents that may be requested from time to time by DDS.

12. Title Insurance. Owner shall obtain a lender's policy of title insurance in favor of DDS with respect to the Regulatory Agreement and the DDS Deed of Trust. The cost of the lender's policy may be paid from CPP/CRDP Funds.

13. Consequence of Breach; Termination of Agreement; Instruments Remain in Effect. The Regulatory Agreement, DDS Note and DDS Deed of Trust shall survive the termination of this Agreement, and shall only be terminated in accordance with their terms.

14. Future Loan Financing or Refinancing; Subordination of Regulatory Agreement and the DDS Deed of Trust. Subject to DDS's consent and approval, if the Owner elects to finance a Loan or refinance an existing Loan, then upon the request of the Lender, RCEB will execute a DDS-approved customary agreement (the "**Subordination Agreement**") to subordinate the Regulatory Agreement and the DDS Deed of Trust to the lien of the Lender's Loan. The Subordination Agreement or a separate agreement signed by the Lender (such as the Notice and Cure Agreement) shall provide that the Lender will give both RCEB and DDS adequate notice and cure rights if the Owner defaults under its Loan. RCEB will request DDS to sign the Subordination Agreement, but RCEB shall not have any liability if DDS fails to sign the Subordination Agreement.

15. Delivery of Each Lender's Deed of Trust to RCEB; Recordation of Request for Notice. Promptly after each Lender records its Deed of Trust to secure its Loan for the Property, SAHA shall deliver conformed copies of each Deed of Trust to RCEB. RCEB requires a copy of each Deed of Trust so that RCEB can record Requests for Notice under Civil Code section 2924b in its favor and in favor of DDS. Forms of the Requests for Notice are attached as exhibits to the CPP/CRDP Guidelines. RCEB shall deliver a conformed copy of the Deed of Trust and Requests for Notice to DDS.

16. Property Management. At all times during Owner's ownership of the Property, the Owner shall monitor the performance of its property management contractor, SAHA, whose property management duties include those required for the maintenance and operation of an affordable housing rental property in good condition and repair and who shall take appropriate action if the normal and customary property management duties are not being carried out, including the following (1) when a Consumer vacates a RCEB-Restricted Unit, handling the transition between such Consumer and the next one, (2) ensuring full occupancy of the RCEB-Restricted Units by qualified tenants, reasonable unit turnover time excepted; (3) collecting rent and third party rent subsidies and paying all of the normal operating expenses of the RCEB-Restricted Units; (4) maintaining all required insurance coverages at the RCEB-Restricted Units; (5) promptly notifying RCEB in writing if any insurance required to be maintained is about to lapse; (6) periodically inspecting the RCEB-Restricted Units and all improvements thereon to insure that they are

maintained in good working order and condition; (7) engaging qualified contractors or qualified personnel to perform those repair and maintenance duties; (8) promptly notifying RCEB of any physical defects, environmental hazards or violations of law discovered at the RCEB-Restricted Units; and (9) generally taking all actions appropriate to preserve the Apartments on the Property and to protect its value. Neither the Owner nor RCEB nor DDS shall have any responsibility for paying property management or administration fees. If RCEB determines in its reasonable judgment, that the Owner or SAHA have been ineffective in their property management performance, then RCEB may notify SAHA of its findings by a written notice thereof. Within fifteen (15) days after receipt of such written notice, RCEB and SAHA shall meet in good faith to consider methods for improving SAHA's and the Owner's compliance with the requirements of this Section. If, after a reasonable period as determined by RCEB (but which shall not be less than sixty (60) days following the date of the initial notice described above), RCEB determines that SAHA and the Owner are not operating and managing the Property in accordance with the material requirements and standards of this Section, then RCEB may exercise its rights under Section 27 or Section 28 of this Agreement.

17. Real Property Taxes. Owner shall take all actions necessary in qualifying for the affordable housing exemption from real property taxes (with the understanding that such exemption will not normally apply to assessments, which shall continue to appear on the tax bill).

18. Construction Work.

18.1 Construction of Apartments. Prior to the Owner commencing construction of the Apartments on the Property, Owner shall provide to RCEB for its prior review and approval, which may not be unreasonably withheld, the deliverables set forth in Section 18.2.

18.2 Deliverables. RCEB's obligation to disburse any remaining CPP/CRDP Funds relating to construction of the Apartments on the Property shall be conditioned on SAHA's delivery to RCEB, and RCEB's approval of, all of the following: (i) overall construction budget for the Apartments on the Property (including a budget for the construction, a budget for onsite and offsite improvements and a budget for the appliances and fixtures) (ii) construction drawings and specifications for the proposed Apartments; (iii) architect's contract, if applicable; (iv) structural engineer's contract, if applicable; and (v) construction contract between the Owner and its general contractor, including contractor's fixed price or time and materials bid to perform the construction work on the Property. When the construction work is complete, Owner shall provide evidence to RCEB that the applicable jurisdiction has issued a final Certificate of Occupancy or its equivalent for the Property.

18.3 Manner of Construction; Terms of Construction Contract. The construction contract between the Owner and its general contractor for the Apartments must contain the following provisions: (i) the contractor shall only be entitled to payments based upon performance; (ii) the contractor must provide appropriate conditional and unconditional mechanics lien releases, in accordance with standard construction industry practice, as a condition to its receipt of each installment payment and final payment and (iii). Owner shall ensure the Owner also includes the following statement in each construction contract between the Owner and the general contractor: "*Regional Center of the East Bay is a third party beneficiary of all of Owner's rights under this*

Agreement.” RCEB shall have the right to review and approve the construction contract to confirm inclusion of the aforementioned terms and conditions.

18.4 Upon the request of a resident, Owner shall make reasonable accommodation for individuals with handicaps or disabilities (applicants or residents). Such accommodations may include performing structural modifications to housing and non-housing facilities on sites where such modifications would be necessary to afford full access to the housing program for qualified individuals with handicaps. In performing structural modifications, Owner is not required to make structural alterations that require the removal or altering of a load-bearing structural member, or take any action that would result in an undue financial and administrative burden on Owner.

18.5 Construction Insurance. Prior to the commencement of construction at the Property, Owner shall provide RCEB with evidence that the Owner has secured adequate liability insurance from the contractor and adequate casualty insurance (such as “Builder’s All Risk” insurance or another form of casualty insurance reasonably acceptable to RCEB) in an amount approved by RCEB covering the construction of such Apartments, it being understood and agreed that all of such Apartments shall be adequately insured by the Owner immediately upon completion thereof.

18.6 Compliance With Laws Owner shall be responsible for causing all Apartments to be constructed in a good and professional manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations including complying with prevailing wage labor laws, and pursuant to a valid building permit, issued by the city or county in which the Property is located, all in conformance with any commercially reasonable construction rules and regulations RCEB may promulgate from time to time.

18.7 Payment and Performance Bond; Alternative Performance Assurances. RCEB’s disbursement of CPP/CRDP Funds for construction of the Apartments shall be conditioned on either of the following, at RCEB’s election: (i) Owner’s delivery to RCEB of a Payment and Performance Bond from the Owner’s contractor in favor of the Owner, in an amount equal to 100% of the expected costs of construction; or (ii) the Owner’s compliance with the “alternative performance assurances” described in Section V(E) of the CPP/CRDP Guidelines. RCEB shall request DDS to waive the Payment and Performance Bond requirement. Nothing herein shall be construed to obligate DDS to waive the bond requirement.

18.8 Timely Development. Owner is responsible and accountable for timely planning and construction of the Apartments so that the Property can be occupied by Consumers pursuant to the terms of, and by the deadlines contained within, the CPP/CRDP Guidelines. Owner is responsible for implementing the approved Marketing and Outreach Plan for the RCEB-Restricted Units so that they may be occupied by qualified Consumers by the time the construction is complete.

18.9 Disbursements; Procedures; No Use of CPP/CRDP Funds for FF&E or Developer Fee. RCEB shall disburse CPP/CRDP Funds for construction expenses in accordance with the procedures in this Agreement. Eligible expenses include all eligible expenses described

in Section VII of the CPP/CRDP Guidelines, except for all developer fees and furniture, fixtures and equipment (“FF&E”), which shall not be paid by the CPP/CRDP Funds.

18.10 Monitoring of Plans and Work. RCEB may in RCEB's sole and absolute discretion, monitor the Owner's preparation of the plans and the contractor's performance of the construction work, and Owner shall promptly respond to all inquiries, and cooperate, coordinate, and otherwise comply with RCEB's requests for information about construction means and methods.

18.11 Monthly Updates. On a monthly basis, if not more, during the construction of the Apartments, and at all times upon RCEB's request, Owner shall provide RCEB with an update as to the progress of its work. Updates may include lender construction inspection reports. RCEB shall report such project updates to DDS on a monthly basis and/or as requested by DDS.

18.12 Delivery of Proof of Expenditures; The Owner's Return of Unused Funds. Upon the Owner's completion of the Apartments at the Property, the Owner shall provide to RCEB invoices and other evidences of the Owner's costs for such work, including evidence of payment to third parties. To the extent funds are deposited in the Development Escrow Account before construction costs are incurred, it is possible that funds disbursed by RCEB may exceed the total amount of funds necessary to complete the construction work. If that occurs, Owner shall promptly return excess funds to RCEB to the extent not in conflict with other Lender's requirements regarding the payment of any excess proceeds

18.13 RCEB's Option to Deliver CPP/CRDP Funds to Third Parties. If a third party has recorded a lien or threatened to record a lien against the Property as a result of nonpayment for their services, equipment or materials, or if RCEB otherwise reasonably believes that the Owner may be in breach of contract with any third party, then RCEB may elect to disburse certain CPP/CRDP Funds directly to such third parties, rather than to the Development Escrow Account.

18.14 Fire Sprinkler; Rooms. Owner shall ensure each of the RCEB-Restricted Units has (i) an operable automatic fire sprinkler system, approved by the State Fire Marshal or local fire department in compliance with applicable law; and (ii) a private bedroom for each Consumer.

18.15 Additional Requirements and Agreements. RCEB reserves the right to require Owner to enter into further agreements with RCEB to address the costs and procedures relating to construction of the Apartments.

19. Covenant Against Mechanic's Liens. Owner shall keep the Property free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of the Owner, and the Owner shall protect, defend, indemnify and hold RCEB harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Owner shall remove any such lien or encumbrance by bond or otherwise within ten business days after notice by RCEB, and if the Owner shall fail to do so, RCEB may pay the amount necessary

to remove such lien or encumbrance, without being responsible for investigating the validity thereof, and Owner shall reimburse RCEB for any such payments made on behalf of the Owner.

20. Payments of CPP/CRDP Funds Generally

20.1 Sole Compensation. Owner acknowledges that its sole compensation for executing and complying with the terms in the Regulatory Agreement, DDS Note and DDS Deed of Trust will be Owner's receipt of the CPP/CRDP Funds resulting from DDS's Funding Approval. RCEB makes no representation or warranty, express or implied, whether DDS will issue a Funding Approval for RCEB's housing proposal.

20.2 E-Billing. Owner agrees to use electronic billing under DDS's Regional Center e-Billing System Web application for all of Owner's invoices to RCEB under this Agreement.

20.3 General Funding Requirements and Limitations Owner shall not bill Consumers or any other funding source for services funded under the terms of this Agreement. Upon completion or termination of this Agreement, RCEB funding for a subsequent agreement or period, if any, is not guaranteed, and the decision for such funding is within the discretion of RCEB.

21. Leases. The parties agree as follows with respect to leasing the RCEB-Restricted Units:

21.1 Selection of the Tenants. Owner acknowledges that it does not have any right to pre-select the applicants for the RCEB-Restricted Units. Rather, RCEB and Owner shall diligently seek and support Consumers eligible under RCEB's Community Resource Development Plan to apply for the RCEB-Restricted Units and successfully complete the Owner's applicant screening process. The final approval of every Consumer's application to the Owner for the RCEB-Restricted Units shall be the sole responsibility of the property management company, using its tenant selection criteria for the Property as modified by any reasonable accommodations made for an individual tenant's disability.

21.2 The Lease Form. Subject to the provisions in Section 21.3 below, RCEB waives the right to approve the form of Lease between the Owner and Consumers. The Owner may use its typical form of lease for affordable housing with the type of financing secured for the Apartments. Owner shall be responsible for educating and informing RCEB and Consumers (both applicants and tenants) of the landlord and tenant rights and responsibilities under the Owner's form of Lease, and for supporting individual Consumers to satisfy their tenant responsibilities and enjoy the full benefit of their tenant rights.

21.3 Specific Restrictions on Owner's Leasing of the RCEB-Restricted Units. Owner shall comply with the following restrictions on the leasing of RCEB-Restricted Units and immediately notify RCEB of any actions to: (1) lease, sublease or license any rights in the RCEB-Restricted Units to any party, other than the Consumers referred by RCEB; (2) set the amount of the initial rent or thereafter increase the rent for the RCEB-Restricted Units in excess of an Affordable Housing Cost (as defined by California Health to Safety Code Section 50052.2(b) for Consumers who are Extremely Low-Income and Very Low-Income (as defined by California

Health and Safety Code Section 50105); (3) terminate a Consumer's Lease for any reason other than the Consumer's breach of the Lease or abandonment of the unit; or (4) unreasonably hinder a service provider in providing services to the Consumers residing at the Property.

21.4 Notification of Delinquencies. As soon as the Owner becomes aware of any delinquent rent payments under a Consumer's Lease, or any other monetary or non-monetary default by either party under a Consumer's Lease, with Consumer permission, Owner shall promptly notify RCEB of such fact in writing. To ensure each Consumer gives permission to Owner to make such disclosure, at the time of initial lease signing, Owner shall present all Consumers with a consent form that gives Landlord, Satellite Affordable Housing Associates and each of their agents and representatives permission to immediately notify Regional Center of the East Bay in writing as soon as Tenant becomes delinquent in the payment of rent or any other monetary or nonmonetary obligation under the lease. Owner shall encourage Consumers to sign the consent form.

21.5 No Obligation of RCEB and DDS. Nothing in this Agreement shall be construed as obligating RCEB or DDS to pay the rent or any other financial obligation owed by a Consumer under any Lease.

22. Reserve Account. Due to the nature of the Project, RCEB waives the right to require the Owner to maintain a reserve account in compliance with the CPP/CRDP Guidelines. However, if the Owner maintains reserve accounts to comply with the requirements of any third party lender or governmental entity, then at least annually, and more often if requested by RCEB, Owner shall provide a reserve report to RCEB, as well as any other information requested by RCEB, so that (i) RCEB can timely certify to DDS that, to RCEB's best knowledge, the interior, exterior, and any detached structures of the Apartments are in good working condition and properly maintained, and that there is no threat to the health, welfare, and safety of Consumers living at the Apartments, or staff or visitors, and (ii) RCEB can file its annual CPP/CRDP Housing Report with DDS as required by the CPP/CRDP Guidelines (the "**Reserve Report**"). The Reserve Report shall (i) estimate the remaining useful life of capital improvements at the Property, (ii) estimate the amount of funds reasonably needed to timely replace such capital improvements, (iii) state the total amount in the reserve account applicable to the Property and (iv) list all expenditures from the reserve account during the prior 12 month period applicable to the Property.

23. Assignment. Owner shall not assign, transfer or subcontract any of its rights, burdens, duties or obligations under this Agreement without prior written permission of RCEB, which may be withheld in its sole and arbitrary discretion. If RCEB consents to an assignment, the assignee shall execute an instrument prepared by RCEB in which the assignee assumes and agrees to be bound by all of the terms and conditions under this Agreement for the express benefit of RCEB. The transfer of control of the ownership of the general partner of Borrower to any third party (or if the general partner or SAHA create a single member LLC, the addition or substitution of a member to such LLC) shall constitute an assignment which requires RCEB's consent hereunder. For purposes of clarity, any change to the limited partner of the Borrower shall not require RCEB's consent.

24. Independent Contractor. Owner its agents and employees, in the performance of this Agreement, shall act at all times in an independent capacity. Owner and their agents and

employees are not officers, employees or agents of RCEB. Owner acknowledges that it will not accrue any employee benefits from RCEB nor will RCEB be responsible for withholding or paying any amount of workers' compensation, disability insurance or any tax of any kind for Owner. Owner is free to act as independent contractors for others. Owner is not an agent for RCEB, and Owner shall not have the authority to execute any agreement on behalf of RCEB to incur any liability or indebtedness of any kind or nature in the name of or on behalf of RCEB, or to otherwise contractually bind RCEB in any manner.

25. Insurance. Owner shall purchase and maintain, throughout the term of this Agreement, (i) worker's compensation insurance in the amount required by California law, (ii) automobile liability insurance, (iii) and such other coverage that shall be reasonably requested from time to time by RCEB. In addition, Owner shall purchase and maintain throughout the term of this Agreement (i) property and casualty insurance for the Property, and (ii) commercial and general liability insurance in the amount of not less than \$1,000,000 per claim or \$2,000,000 in the aggregate for the Property, on an occurrence basis, during the period of this Agreement; provided, however, RCEB reserves the right to increase the liability limit under such insurance policy on not more than once during any three year period during the term of this Agreement, based on advice by its insurance broker(s). The commercial general liability insurance shall include endorsements for premises and operations liability and for broad form contractual liability. Insurers who are admitted to do business in the State of California and rated A- and X or higher in the most recent edition of Best Insurance Guide shall issue all insurance policies. All insurance policies (other than the workers' compensation policy) shall be endorsed to name "*Regional Center of the East Bay*" and the "*State of California Department of Developmental Services*" as an additional insured during the term of this Agreement, and Owner shall provide to RCEB a true and correct copy of the Named Additional Insured Endorsements on the Effective Date for the Property. Each policy of insurance providing coverage required hereunder shall provide that it may not be cancelled or materially modified unless RCEB is provided at least 30 days' prior written notice thereof. Owner shall also provide to RCEB a Certificate of Insurance annually, which certifies the existence of the insurance required under this Agreement. To the extent these provisions are not the same as the provisions in the Deed of Trust regarding insurance, Owner shall comply with those provisions that most broadly protect RCEB.

26. Indemnification of RCEB. Owner shall indemnify, defend, and hold harmless RCEB and its representatives, officers, directors, agents, consultants and employees and their respective successors and assigns, including but not limited to the State of California and its agents and employees (collectively referred to as the "**Indemnified Parties**"), from any and all losses, costs, expenses, (including but not limited to reasonable attorney's fees), liabilities, claims, court costs, demands, debts, causes of action, fines, judgments and penalties which arise from or relate to (a) death or injury to people or damage to property in connection with the negligent or willful acts, errors or omissions of Owner or any of their employees, agents, consultants or anyone employed by either of them to act on their behalf, (b) claims under workers' compensation laws or other employee benefit laws by Owner's agents or employees, (c) Owner's failure to fulfill its obligations under this Agreement (including the documents incorporated by reference herein) in strict accordance with its terms, including Owner's breach of any representations or covenants given in this Agreement or (d) violation of any local, state, or federal law, regulation or code by Owner or by any of their respective employees, agents, consultants or subcontractors in connection with the conduct of their activities performed in connection with this Agreement.

26.1 Assumption of Defense. Owner shall assume the defense, at their sole expense, and with legal counsel acceptable to RCEB, of any claims or litigation as to which either of them has an indemnification obligation hereunder; RCEB shall cooperate with Owner and their counsel in the defense of any such claims, provided, however, that any costs or expenses associated with such cooperation shall be reimbursed by Owner. If Owner fails to assume the defense of any claim or litigation as to which it has or is determined to have had the obligation to indemnify, the Indemnified Parties will have the right to assume their own defense, and Owner will reimburse the Indemnified Parties for any and all reasonable expenses (including, but not limited to attorney's fees) incurred in defense of such claims or litigation, in addition to Owner's other indemnity obligations thereunder. Owner shall control the defense and settlement of any claim; provided, however, if SAHA and the Owner fail to promptly assume the defense of any claim or litigation as to which it has or is determined to have had the obligation to indemnify, RCEB shall have such control.

26.2 Survival of Provisions. The indemnity set forth in this Section shall apply during the term of this Agreement and shall also survive the expiration or termination of this Agreement, until such time as action against all of the Indemnified Parties on account of any matter covered by such indemnity is barred by the applicable statute of limitations.

27. Breach; Remedies.

27.1 If a party (the "**Complainant**") asserts that a violation of the provisions of this Agreement has occurred, it shall so inform the other party (the "**Breaching Party**") in writing, stating the nature of such violation in detail (the "**Notice of Default**") and giving the Breaching Party 30 days from receipt of such notice to cure such breach or failure. If the Breaching Party does not then cure the default within such 30-day period (or, if the default is not susceptible of cure within such 30-day period, the Breaching Party fails to commence the cure within such period and thereafter to prosecute the cure diligently to completion), then the Complainant shall be entitled to terminate this Agreement (as provided below) as well as pursue any other rights afforded it in law or in equity (subject to the provisions below).

27.2 If the Complainant is RCEB, then RCEB may (1) withhold all or part of the unremitted CPP/CRDP Funds it may owe under this Agreement or under any other agreement between RCEB and OWNER, until satisfactory corrective measures are taken by OWNER; (2) perform the task itself and at OWNER's and the Owner's expense and/or (3) terminate this Agreement without further notice if OWNER and the Owner fail to timely cure the violation described in the Notice of Default.

27.3 If the Complainant is OWNER, then OWNER may terminate this Agreement if RCEB fails to timely cure the violation described in the Notice of Default, and obtain recovery of its actual damages as its sole and exclusive remedy, subject to the limitations in Section 30 below.

27.4 If (i) the Owner fails to perform its obligations for the timely development of the Apartments, or (ii) after the Apartments are completed, the Owner ceases to enforce the conditions for occupancy by Consumers (other than as the result of a temporary cessation of use of the housing by Consumers due to casualty, or condemnation or lack of Consumer referrals from

RCEB), then in addition to all of the other remedies available to RCEB hereunder or otherwise available at law or in equity, RCEB shall have the right to require immediate repayment of all CPP/CRDP Funds which RCEB had previously disbursed relating to such Property. In such event, Owner shall be obligated to repay all such funds to RCEB within 30 days following its receipt of a demand therefor from RCEB.

27.5 Notwithstanding any provisions in this Section 27 to the contrary, if RCEB has clear and convincing evidence of misconduct by Owner or their agents or employees that results in imminent danger to the health or safety of any Consumer, RCEB shall have the right and option to declare that OWNER has committed a non-curable default. Circumstances which may constitute imminent danger to consumer health and safety include, but are not limited to: physical, emotional, or mental abuse, sexual misconduct, client abandonment or neglect, theft of a Consumer's money or property, violation of a Consumer's rights under the law, placing Consumers in physical danger, or any other circumstance that may bring potential physical or emotional harm to the Consumer. If any of the foregoing occur, RCEB may terminate this Agreement with 5 days written notice to OWNER and may negotiate with OWNER for the replacement of OWNER as the entity responsible for monitoring the Owner's compliance with the terms and conditions of this Agreement, the DDS Deed of Trust, the Regulatory Agreement and other documents that protect RCEB's interest in the Property.

27.6 A default by OWNER under this Agreement shall, at RCEB's option, constitute a default by OWNER under any other agreement between the parties. A default by OWNER under any other agreement shall, at RCEB's option, constitute a default by the OWNER under this Agreement.

28. Consequences of Termination. Upon the termination of this Agreement as a result of OWNER's breach, OWNER shall, immediately on request of RCEB, do all of the following: execute all documents and perform all other acts reasonably requested by RCEB to insure a smooth transition of all of OWNER's rights and responsibilities under this Agreement to the successor organization chosen by RCEB.

29. Specific Performance. The parties acknowledge that a breach of this Agreement by OWNER or the Owner will result in significant damages to RCEB, which are impossible or extremely difficult to determine, and that monetary damages would be an inadequate remedy for such breach. Further, OWNER's or the Owner's failure to comply with these provisions could jeopardize the health and safety of RCEB's Consumers. As such, the parties agree that RCEB has the right to specifically enforce OWNER's and the Owner's obligations under this Agreement. Thus, RCEB may obtain a temporary restraining order, preliminary injunctive relief and permanent injunctive relief to require OWNER and the Owner to perform their obligations to RCEB, including but not limited to its obligation to execute all documents and perform all acts reasonably requested by RCEB to replace OWNER with a successor organization chosen by RCEB.

30. Limitation on RCEB's Liability. Notwithstanding any provision to the contrary contained in this Agreement, RCEB's liability hereunder shall be limited to an amount equal to the lesser of \$250,000 or the aggregate dollar value of all CPP/CRDP Funds then previously received by the Owner under the terms of this Agreement. In addition, and again notwithstanding any provision to the contrary contained in this Agreement, in no event shall RCEB or any of its

partners, sub partners or any of their respective officers, agents, servants, employees, and independent contractors be liable under any circumstances for injury or damage to, or interference with, OWNER's or the Owner's business, including but not limited to, consequential damages, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

31. Books, Records and Other Information; Audits.

31.1 Delivery of Documents and Information. Upon RCEB's request, OWNER shall promptly deliver to RCEB all information and documents relating to Owner or the Property that RCEB so requests, including but not limited to Owner's organizational documents, IRS approval of the Owner's 501(c)(3) statuses, a current Certificate of Good Standing from the California Secretary of State, a list of current officers and board members, applicable corporate resolutions authorizing the signatory(ies) of this Agreement to sign this Agreement and other contracts relating to the Apartments, employee resumes and background experience, certifications, budgets, financial statements, construction cost audit, and other information relating to the Apartments. RCEB must obtain such information and documents to comply with the CPP/CRDP Guidelines, so OWNER shall provide such information and documents to RCEB for the Property on request.

31.2 Maintenance of Books and Records. OWNER shall, and shall cause the Owner to, maintain and preserve, until three years after the service has been performed, any pertinent books, documents, papers, and records relative to this Agreement. OWNER and the Owner shall maintain audited financial records in accordance with generally accepted accounting principles, consistently applied.

31.3 Record Inspection and Audit. RCEB shall have the right to review and inspect all of Owner's records regarding services provided under this Agreement, in accordance with the provisions in California Code of Regulations (Title 17, Part II, Chapter 1, subchapter 6 and subchapter 18). An audit of Owner's records pertaining to this Agreement may be made by RCEB or any other third party authorized to conduct such an audit, for a period of three years after the termination of this Agreement. All audits will be conducted according to Title 17 regulations. Owner will be informed of the audit in writing and will be given a written report on the results of the audit once it is completed. OWNER has the right to appeal any findings resulting from an audit. The specific appeal procedure will be communicated to OWNER at the time the audit is announced.

31.4 The Owner's Reviews and Audits. This Section 31.4 shall only apply if all payments the Owner cumulatively receives from RCEB and other regional centers during the Owner's fiscal year (as determined on the commencement date of this Agreement) equals or exceeds \$500,000. OWNER shall cause the Owner to take the following actions:

31.4.1 The Owner shall, at the Owner's cost, cause an independent Certified Public Accountant to annually provide (1) an independent audit of the Owner's financial statements (or, if the Owner qualifies based on the terms in the statute, an independent review report in lieu of an audit); and (2) a copy of either the annual audit results (the "**Audit Report**") or the review results (the "**Review Report**") to RCEB.

31.4.2 If the Owner engages an independent Certified Public Accountant to review (but not audit) the Owner's financial statements, (i) the review shall, at minimum, comply with the provisions set forth in Welfare and Institutions Code Section 4652.5(e) and (ii) the Review Report shall, at minimum, comply with the provisions set forth in Welfare and Institutions Code Section 4652.5(f).

31.4.3 The Owner shall commence the independent audit or review within 120 days after the end of the Owner's fiscal year. The Owner shall complete the audit or review within nine months after the end of the Owner's fiscal year and provide RCEB with audited financial statements within 120 days of the FY end.

31.4.4 In accordance with Welfare and Institutions Code Section 4652.5(b), the Owner shall provide copies of the independent Audit Report or Review Report to RCEB within 30 days after completion of the audit or review.

31.4.5 If RCEB believes that any issues identified in the Audit Report or Review Report have an impact on services the Owner provides to RCEB's Consumers, RCEB will so notify the Owner and provide the Owner with 30 days to resolve such issues. The Owner's failure to resolve such issues to RCEB's reasonable satisfaction within such 30-day period shall constitute a material breach of this Agreement. As a result of such uncured breach, RCEB may, among its other remedies, terminate this Agreement.

32. The Funding Contingency. Notwithstanding anything in this Agreement to the contrary, RCEB's obligation to remit funds under this Agreement is conditioned on RCEB's receipt of adequate funds from DDS to pay for such costs (the "**Funding Contingency**"). The Funding Contingency is a part of this Agreement because RCEB's annual funding agreement with DDS provides that such funding agreement is subject to the appropriation of funds by the Legislature, and that if such funds are not appropriated for any fiscal year into which such funding agreement extends, the funding agreement is of no force and effect. RCEB shall therefore have the right and option to terminate this Agreement on 60 days' notice to OWNER, without liability, and such termination shall be deemed a failure of the Funding Contingency, if (1) DDS for any reason fails to deliver funds to RCEB necessary to provide the CPP/CRDP Funding hereunder or (2) RCEB receives CPP/CRDP Funds from DDS for the Owner under this Agreement but RCEB determines that such funds are inadequate to pay for all of the vendor services and other expenses which RCEB expects to incur in such fiscal year relating to such Property. If there is a failure of the Funding Contingency, then (1) RCEB shall have no liability to pay funds to the Owner under this Agreement (other than funds for services previously validly performed by the Owner under this Agreement and for which RCEB has received DDS funding) or to furnish any other consideration under this Agreement and (2) neither party shall be obligated to further perform any provisions of this Agreement (other than those obligations intended to survive termination of this Agreement). In the event RCEB exercises the Funding Contingency, RCEB and DDS agree to use best efforts to negotiate a workout for the impacted Property.

33. Non-Discrimination. Neither party to this Agreement shall discriminate against any employee or applicant for employment on account of age, genetic information/characteristics, marital status, medical condition (including cancer or record or history of cancer), or AIDS/HIV status, mental or physical disability, national origin and ancestry (including language use

restrictions), pregnancy/perceived pregnancy, sex/gender including: gender identity or gender expression (this includes transgender status and those who are transitioning or have transitioned), race and color, religion, sexual orientation and military and veteran status.

33.1 Owner shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Owner shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2 Administration, Division 4.1 Department of Fair Employment and Housing) and the provisions of Article 9.5, Chapter 1 (Government Code, Sections 11135-11139.5). Owner shall permit access by representatives of the Department of Fair Employment and Housing, and RCEB, upon reasonable notice at any time during normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, other sources of information and its facilities as DDS or RCEB shall require to ascertain compliance with this clause. Owner shall give written notice of their obligations under this clause to labor organizations.

34. HIPAA Compliance. Under this Agreement, "**HIPAA**" means the federal Health Insurance Portability and Accountability Act (Pub. L. No. 104-191), the HIPAA regulations as set forth in 45 C.F.R. Parts 160 and 164 (aka the HIPAA Privacy Rule), and regulations on Standards for Privacy of Individually Identifiable Health Information. All parties shall at all times remain in compliance with the mandatory provisions of HIPAA, including but not limited to the HIPAA Privacy Rule. In performing its duties under this Agreement, OWNER may have access to "protected health information," including but not limited to "individually identifiable health information," and is therefore a "Business Associate" as those terms are defined in HIPAA. As such, concurrently with its execution of this Agreement, OWNER shall execute the "*Business Associate Agreement – Contractor*" attached to this Agreement and incorporated herein as Exhibit C. Owner shall also execute a Business Associate Agreement at RCEB's request.

35. Copyrights And Patents. To the extent any of OWNER's or the Owner's activities result in the invention or development of copyrightable materials, the State of California has the right to freely manufacture, reproduce, publish, use and/or distribute all inventions and copyrightable materials which were developed by or for OWNER or the Owner using funds provided by the State of California. To the extent applicable, Section 14 of Article I of the Regional Center Master Contract between RCEB and the State of California is incorporated herein by this reference.

36. Cooperation; Adequate Staffing. Owner shall meet as often as RCEB determines necessary and shall work collaboratively with any RCEB staff regarding the renovation and development of the Property. Owner will supply staff sufficient in numbers to satisfactorily carry out the terms of this Agreement.

37. Compliance with Law. Owner shall at all times comply with all local, California and Federal statutes, laws, and regulations applicable to them, and shall render services in accordance with the applicable provisions of all laws (including but not limited to Welfare and Institutions Code, Division 4.5, Services for the Developmentally Disabled [Lanterman Developmental Disabilities Services Act], and Calif. Code of Regs. Title 17, Division 2, Health and Welfare Agency [Department of Developmental Services]). Any provisions of this Agreement

that conflict with any law is hereby amended to conform to the provisions of those statutes and regulations. Such amendments to the Agreement shall be effective on the effective date of the statute or regulations necessitating it, and shall be binding on the parties even though such amendment may not have been reduced to writing or expressly agreed to by the parties. No provision of this Agreement shall not be construed to excuse compliance with all applicable laws.

38. Permits and Licenses. Owner and their employees and agents shall secure and maintain throughout the term of this Agreement, any and all valid permits and licenses as required by law for the execution of the services described in this Agreement.

39. Zero Tolerance Policy For Consumer Abuse And Neglect. Owner shall ensure all of their employees are fully informed upon hire, and annually thereafter, about RCEB's Zero Tolerance Policy for Abuse or Neglect, pursuant to the Elder Abuse and Dependent Adult Civil Protection Act (California WIC section 15600-15675), and Child Abuse and Neglect Reporting Act (California Penal Code sections 11164-11174.3). A hyperlink to such policy is posted on the transparency section of RCEB's website at: <https://v6q90e.p3cdn1.secureserver.net/sites/main/files/file-attachments/zerotolerancepolicy.pdf>

OWNER or any Owner employee or agent who fails to report Consumer abuse or neglect may be subject to penalties defined in law (WIC, section 15630(h)). In addition, upon becoming aware of a reportable incident or allegation of abuse or neglect of a Consumer, Owner shall take immediate action to protect the health and safety of the involved Consumer and all other Consumers. Owner shall ensure their staff have knowledge of the signs of Consumer abuse and neglect, the process for reporting suspected abuse or neglect, and the consequences of failing to follow the law or adhere to RCEB's Zero Tolerance Policy. Owner's failure to comply with the policy and the abuse/neglect reporting laws is considered a material breach of this Agreement.

40. Drug-Free Workplace. During the term of this Agreement, Owner shall maintain and enforce a drug-free workplace policy. Neither Owner or their employees shall unlawfully manufacture, distribute, dispense, possess or use "controlled substances" (as defined in 21 U.S.C. Section 812), at any of their facilities or work sites. Violation of this provision shall constitute a material breach of this Agreement.

41. Attorney's Fees. If any action or proceeding at law is commenced to enforce any provisions or rights under this Agreement, the unsuccessful party to such action or proceeding as determined by the court in a final judgment or decree, shall pay the attorneys' fees and costs of the prevailing party (including, without limitation, such costs, expenses and fees on any appeal), and if such prevailing party shall recover judgment if any such action or proceeding, such costs, expenses and attorney's fees shall be included as part of such judgment.

42. Severability. If any provision of the Agreement is held to be inoperative, unenforceable or otherwise invalid, the remaining provisions hereof shall remain in full force and effect.

43. Integration. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained herein, and it supersedes all prior agreements, contracts, representations and understandings of the parties, either oral or written, relating to the subject

matter of this Agreement, including any other housing agreements to the extent they concern housing intended to be paid for in full or part with DDS CPP/CRDP funds. In addition to the foregoing, the parties may enter into start-up contracts and other agreements in the future relating to matters covered by this Agreement; in such event, (1) such contracts and agreements shall remain subject to the terms of this Agreement and (2) if any inconsistency exists between such contracts and agreements and this Agreement, the terms of this Agreement shall govern. If any part of this Agreement is in conflict with the Regulatory Agreement, the Regulatory Agreement supersedes this Agreement.

44. Amendment. No supplement, modification, understanding, verbal agreement, or amendment of this Agreement shall be binding unless executed in writing by RCEB and OWNER.

45. No Waiver. No waiver by RCEB of Owner's breach of any provision of this Agreement shall constitute a waiver by RCEB in the future of the same or any other subsequent breach by Owner. RCEB's failure to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. No custom or practice that may develop among the parties in the course of administering this Agreement shall be construed to waive any party's right to insist upon the strict performance by the other party of any obligation in the Agreement. The remedies herein reserved shall be cumulative and in addition to any other remedies in law or equity.

46. Address for Notices. Any notices required or permitted under this Agreement shall be in writing and shall be sufficiently given if either delivered in person or mailed by a nationally recognized overnight mail carrier or certified or registered mail, postage prepaid, to the parties at such address as each of them, by notice to the other, may designate from time-to-time. Any written document will be deemed delivered either (a) on the day of the delivery in person, (b) the next business day if delivered by overnight carrier or (c) two business days after the mailing of such document by certified or registered mail. All notices shall be addressed as follows:

To RCEB:

Regional Center of the East Bay
Attn: Steve Robinson,
Director, Community Services
500 Davis Street
San Leandro, CA 94577

To Owner:

Thornton, L.P., a California limited partnership
c/o Satellite Affordable Housing Associates
Attn. Eve Stewart
Senior Vice President, Real Estate Development
1835 Alcatraz Avenue
Berkeley, CA 94703

or to such other address as either party may designate to each other in accordance with the provisions of this section.

47. Further Assurances. The parties acknowledge that this Agreement reflects a new housing model for Consumers in California, and it is therefore not possible to precisely identify all matters that should be addressed by this Agreement. As such, OWNER agrees to enter into amendments to this Agreement which do not materially increase its obligations hereunder at the request of RCEB from time to time, to further reflect and refine the parties' rights and obligations.

OWNER shall also take all actions and execute all documents necessary or appropriate to perform its obligations hereunder.

48. No Liability by State of California. Any and all funding from the State of California (the “**State**”) used by RCEB in the performance of its obligations under this Agreement is subject to appropriation in the annual California State Budget Act by the State Legislature. Thus, (1) this Agreement is subject to termination without further liability if funding is not appropriated for these purposes by the State Legislature; (2) RCEB does not act as an agent of the State; (3) RCEB does have the authority to commit State funding under this Agreement unless funds are appropriated to it by the State Legislature, either in the State Budget Act or otherwise; and (4) the State is not a party to this Agreement and provides no assurances or commitments as to the availability of State funding during any portion of the term of this Agreement.

49. Time of the Essence. Time is the essence with respect to the obligations under this Agreement.

50. California Law; Venue. This Agreement will be construed and enforced in accordance with the laws of the State of California. The venue for any action filed to enforce or interpret this Agreement shall be in San Leandro, California.

-No Further Text on This Page-

51. Counterparts; Delivery. This Agreement may be executed in counterparts, each which shall be deemed an original and all of which shall constitute a single instrument. Signed copies of this Agreement delivered by facsimile or electronically in PDF (or similar format) shall be deemed the same as originals.

Executed in San Leandro, California, as of the date first written above.

Thornton, Avenue L.P.,
a California limited partnership

Regional Center of the East Bay, Inc.,
a California nonprofit corporation

By: Satellite AHA Development, Inc.,
a California nonprofit public benefit corporation,
General Partner

By: _____
Elisabeth Kleinbub, Executive Director

By:
Name: Susan Friedland
Title: Chief Executive Officer

Exhibits:

Exhibit A: DDS Approval

Exhibit B: Multifamily Budget

Exhibit C: Business Associate Agreement

Exhibit D: Possible Conflicts with DDS CPP/CRDP FY 17-18 Housing Guidelines.

By: _____
Name: Susan Friedland
Title: Chief Executive Officer

Exhibit A

(DDS Approval)

-Attach DDS Approval Letter Here-

Exhibit B

Multifamily Development Budget

-Attach Multifamily Budget Here -

Exhibit C

BUSINESS ASSOCIATE AGREEMENT - CONTRACTOR

This Business Associate Agreement - Contractor (“**Agreement**”), effective as of June 01, 2024, is entered into by and between Regional Center of the East Bay, Inc., a California nonprofit corporation (“**RCEB**”) and Thornton, L.P., a California limited partnership (“**OWNER**”). OWNER and RCEB are each referred to herein as a “**Party**,” and collectively, the “**Parties**.” The Parties enter into this Agreement in accordance with the following facts:

A. RCEB arranges for the provision of services to individuals with developmental disabilities (“**Consumers**”). In providing its services, RCEB acts as a Business Associate of the California Department of Developmental Services (“**Covered Entity**”). As a necessary part of arranging services to Consumers served by Covered Entity, RCEB may have access to Protected Health Information (“**PHI**”) as such term is defined in the Health Insurance Portability and Accountability Act of 1996, as amended (“**HIPAA**”), and its Privacy and Security Rules.

B. OWNER is, or desires to be, vendorized by RCEB to provide services to RCEB’s Consumers. Once OWNER is vendorized, RCEB may elect to enter into one or more agreements with OWNER (each, a “**Service Provider Agreement**”) to provide specific services to specific Consumers.

C. Under each Service Provider Agreement, it is anticipated that OWNER may receive and use PHI from and related to RCEB’s Consumers.

D. The purpose of this Agreement is to comply with the requirements of HIPAA, its associated regulations (45 CFR Parts 160-164), and the Health Information Technology for Economic and Clinical Health Act (the “**HITECH Act**”), Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub.L. 111-5), as these laws may be amended, as well as any state law(s) or regulation(s) governing the privacy and security protections of confidential information created or received by OWNER pursuant to each Service Provider Agreement.

In consideration of the following mutual covenants, the Parties therefore agree as follows:

1. **DEFINITIONS.** Except as otherwise defined herein, any and all capitalized terms in this Agreement shall have the definitions set forth in HIPAA and its Privacy and Security Rules.

2. **OBLIGATIONS AND DUTIES OF OWNER.**

2.1 **General.** OWNER agrees not to use or disclose any Consumer’s PHI other than as permitted or required by this Agreement or by applicable law.

2.2 **Safeguard.** In accordance with 45 CFR Part 164, Subpart C and 45 CFR §164.314(a)(2)(i)(A)&(B), OWNER agrees to use appropriate administrative, physical and technical safeguards to prevent the use or disclosure of any Consumer’s PHI, including Electronic PHI other than as provided for by this Agreement.

2.3 Standard Transactions. Under HIPAA, the US Department of Health and Human Services has adopted certain standard transactions for the electronic exchange of health care data (“**Standard Transactions**”). If OWNER conducts any Standard Transactions on behalf of Covered Entity or RCEB, OWNER shall comply with the applicable requirements of 45 C.F.R. Parts 160-162. OWNER acknowledges that as of the effective date of this Agreement it may be civilly and/or criminally liable for failure to comply with the safeguards, policies, and procedure requirements, or any of the use and disclosure requirements, established by law.

2.4 Mitigation. OWNER agrees to mitigate, to the extent practicable and appropriate, any harmful effect that is known to OWNER of a use or disclosure of PHI by OWNER in violation of the requirements of this Agreement.

2.5 Agents; Subcontractors. OWNER agrees to ensure that its agents, including any subcontractor, to whom it provides PHI received from, or created or received by OWNER on behalf of Covered Entity or RCEB, agrees to the same restrictions and conditions applicable to OWNER with respect to such information.

2.6 Access to PHI by Covered Entity, RCEB or Consumer. Consumers have a right to access their PHI in a designated record set. A “**Designated Record Set**” is defined at 45 CFR 164.501 as a group of records maintained by or for a Covered Entity that comprises the (i) medical records and billing records about Consumers maintained by or for a Covered Entity, (ii) enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan, or (iii) other records that are used, in whole or in part, by or for the Covered Entity to make decisions about Consumers. The term “**record**” means any item, collection, or grouping of information that includes PHI and is maintained, collected, used, or disseminated by or for a Covered Entity. If applicable, and upon request by Covered Entity or RCEB, OWNER agrees to provide access to Covered Entity, RCEB or to a Consumer as directed by Covered Entity or RCEB, the PHI in a Designated Record Set within fifteen (15) days in order to meet the requirements under 45 C.F.R. section 164.524. In addition, as of the effective date of this Agreement, with respect to information contained in an Electronic Health Record, OWNER will provide access to such records in electronic format.

2.7 Amendments to PHI. If applicable, OWNER agrees to make any amendment(s) to PHI in a Designated Record Set as directed or agreed to by Covered Entity or RCEB pursuant to 45 C.F.R. section 164.526, and as requested by the Covered Entity, RCEB or a Consumer, within fifteen (15) days of receipt of a request. Any denials, in whole or in part, of requested amendments shall be made by OWNER in accordance with 45 C.F.R. section 164.526.

2.8 Audit. OWNER agrees that the Secretary of the Department of Health and Human Services (the “**Secretary**”) shall have the right to audit OWNER's internal records, books, policies, and practices relating to the use and disclosure of PHI received from, or created or received by OWNER on behalf of Covered Entity or RCEB, in a time and manner agreed to by the Parties, or as otherwise designated by the Secretary, for purposes of the Secretary determining compliance with the HIPAA Privacy Rule.

2.9 Documentation of Disclosed Information. OWNER agrees to document disclosures of PHI, and information related to such disclosures (collectively, “**Disclosed**

Information”), as would be required for Covered Entity or RCEB to respond to a request by Consumer for an accounting of disclosures of PHI in accordance with 45 C.F.R. section 164.528, as amended from time to time. OWNER hereby agrees to take reasonable steps to enable it to comply with the requirements of this section and to notify RCEB of any such requests. OWNER shall promptly notify RCEB of the existence of any Disclosed Information.

2.10 Disclosure Accounting; Retention. OWNER agrees to provide Disclosed Information to Covered Entity, RCEB or to Consumer at Covered Entity’s or RCEB’s request, within fifteen (15) days of such request, in order to permit Covered Entity to meet its obligations in accordance with 45 CFR section 164.528. OWNER shall maintain Disclosed Information for six (6) years following the date of the event or incident to which such information relates.

2.11 Privacy or Security Breach.

2.11.1 In accordance with applicable law, OWNER agrees to give written notice (an “**Incident Notice**”) to Covered Entity and RCEB of any (a) use or disclosure of PHI that is not in compliance with the terms of this Agreement, of which it becomes aware (“**Breach**”) and (b) attempted or actual Security Incident (collectively with a Breach, an “**Incident**”). An Incident Notice shall be made without unreasonable delay and, in no event, later than twenty four (24) hours after discovery of such Incident, except where a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security as described in 45 C.F.R. § 164.412. In addition, an Incident Notice shall include (to the extent possible) the following information:

(a) identification of each Consumer whose Unsecured PHI has been, or is reasonably believed to have been, accessed, acquired, or disclosed during the Incident;

(b) the circumstances constituting and, to the extent relevant, surrounding the Incident (including, without limitation, the individual(s) causing the Incident and the person(s) receiving or accessing the PHI), the date of the Incident and date of discovery;

(c) the PHI affected or disclosed by the Incident on an individual Consumer-by-individual Consumer basis;

(d) the steps OWNER is taking to investigate and correct the Incident, mitigate harm or loss to affected Consumers, and protect against future similar Incidences,

(e) the actions which Consumers affected by the Incident should take to protect their interests; and

(f) a contact person for additional information.

2.11.2 OWNER shall cooperate with Covered Entity and RCEB in the investigation of the Incident, and in conducting any risk assessment necessary to determine whether notification of the Incident is required, and shall maintain, and provide at the direction of RCEB or Covered Entity, all reasonable and appropriate documents, files, records, or logs related

to the Incident. For purposes of discovery and reporting of an Incident, OWNER agrees that it shall not be the agent of RCEB.

2.11.3 To the extent that any Incident involves a Breach of Unsecured PHI, and upon the request of RCEB or Covered Entity, OWNER shall provide notice to impacted Consumers, the media and the Secretary in the time and manner required by 42 U.S.C. § 17932 and 45 C.F.R. §§ 164.404, 164.406 and 164.408. Prior to providing any such notice, OWNER shall provide RCEB and Covered Entity with a reasonable opportunity to review and comment on such notice. OWNER shall maintain complete records regarding the Incident, the determination of whether notice is required and the issuance of the notice (including the recipients and content of such notice), and upon request, shall make such records available to RCEB and Covered Entity. OWNER shall also provide to Consumers affected by the Incident, upon the request of the Covered Entity or RCEB, such remedies as may be reasonably necessary or appropriate to mitigate the deleterious effects of the Incident including, without limitation, provision of credit report monitoring for a reasonable period of time. Any such remedies provided by OWNER pursuant to this section shall be at the sole expense of OWNER.

2.11.4 Notwithstanding Section 2.11.3 above, if RCEB or Covered Entity elects to provide the notice referenced in Section 2.11.3, OWNER shall promptly provide to RCEB and Covered Entity, the information required by 42 U.S.C. § 17932 and 45 C.F.R. §§ 164.404, 164.406 and 164.408, to the extent not previously provided in an Incident Notice.

2.11.5 Any annual notification to the Secretary as required under 42 U.S.C. § 17932(e) and 45 C.F.R. § 164.408(c), shall be provided by Covered Entity or RCEB, unless Covered Entity or RCEB directs OWNER to provide such notice within fifteen (15) days after the close of the calendar year. OWNER shall provide RCEB and Covered Entity a copy of the annual notification before it is provided to the Secretary sufficiently in advance of the due date to permit Covered Entity or RCEB to revise the notification as may be appropriate.

2.12 Genetic Information. OWNER shall not undertake any activity that may be considered underwriting based on genetic information, as defined by the Genetic Information Nondiscrimination Act and prohibited under the HIPAA Privacy & Security Rules.

2.13 Compliance. OWNER shall comply with all other privacy and security requirements made applicable to it by HIPAA, the HITECH Act and the HITECH Rules as promulgated by the Secretary. In addition, OWNER shall comply at all times with the requirements imposed on Covered Entity, RCEB and OWNER by state health information privacy laws including, without limitation, the Confidentiality of Medical Information Act (Cal. Civ. Code §56 *et seq.*) and the Lanterman-Petris-Short Act (Cal. Welfare & Inst. Code §5000 *et seq.*)

3. **PERMITTED USES AND DISCLOSURES BY OWNER**

3.1 Business Relationship Activities. Except as otherwise limited in this Agreement, OWNER may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity and RCEB as specified in the ongoing contractual relationships among the Parties and Covered Entity, provided that such use or disclosure would not violate the HIPAA Privacy Rule or Security Rule if done by Covered Entity, nor violate the minimum

necessary policies and procedures of the Covered Entity. For this purpose, the determination of what constitutes the “**minimum necessary**” amount of PHI shall be determined in accordance with 45 C.F.R. section 164.502(b), as amended by section 13405 of the HITECH Act. Without limitation of the foregoing, OWNER shall limit the use, disclosure, or request of PHI, to the extent practicable, to the Limited Data Set (as defined in 45 C.F.R. §164.514(e)(2)) or, if needed by OWNER, to the minimum necessary amount of PHI to satisfy the requirements of each applicable Service Provider Agreement.

3.2 Management and Administration of OWNER. Except as otherwise limited in this Agreement, OWNER may disclose PHI for the proper management and administration of OWNER, provided that disclosures are Required by Law, or OWNER obtains reasonable assurances from the person to whom the information is disclosed that such PHI will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person agrees to notify OWNER and RCEB within one (1) day of discovery of any Incident.

3.3 Data Aggregation. Except as otherwise limited by this Agreement, OWNER may disclose PHI to provide Data Aggregation services to Covered Entity or RCEB as permitted by 45 CFR 164.504(e)(2)(i)(B). Any aggregated data will be de-identified in compliance with 45 C.F.R. 164.502(d) before it is disclosed. OWNER agrees that it will not disclose any re-identification key or other mechanism to re-identify the data.

3.4 Remuneration. OWNER shall not directly or indirectly receive remuneration in exchange for any PHI unless informed by RCEB or Covered Entity that Covered Entity has first obtained a valid authorization from the applicable Consumer that specifically allows PHI to be further exchanged for remuneration by the entity receiving such PHI, or the receipt of such remuneration complies with an otherwise available exception under HIPAA or the HITECH Act.

3.5 Violations of Law. OWNER may use PHI to report violations of law to appropriate federal and state authorities, consistent with 45 CFR 164.502(j)(1).

4. **OBLIGATIONS AND DUTIES OF RCEB.**

4.1 Notice of Privacy Practices. RCEB shall inform OWNER of any limitation(s) in Covered Entity’s or RCEB’s notice of privacy practices in accordance with 45 C.F.R. section 164.520, to the extent that such limitation(s), if any, may affect OWNER’s use or disclosure of PHI. RCEB may satisfy this requirement by providing OWNER with the notices of privacy practices that Covered Entity and RCEB delivers in accordance with 45 C.F.R. section 164.520, as well as any changes to such notice.

4.2 Notice to Consumers of Permission. RCEB shall notify OWNER of any changes in, or revocation of, permission by a Consumer to use or disclose PHI which RCEB receives from Covered Entity, to the extent that such changes may affect OWNER’s use or disclosure of PHI.

4.3 Notice of Other Restrictions. RCEB shall notify OWNER of any restriction to the use or disclosure of PHI which RCEB receives from Covered Entity to which Covered Entity

has agreed in accordance with 45 C.F.R. section 164.522, to the extent that such restriction may affect OWNER's use or disclosure of PHI.

4.4 Impermissible Requests. RCEB shall not request OWNER to use or disclose PHI in any manner that would not be permissible under the HIPAA Privacy Rule if done by RCEB or Covered Entity.

5. TERM AND TERMINATION.

5.1 General. This Agreement shall remain in effect for so long as RCEB and OWNER are parties to one or more Service Provider Agreements and shall terminate when all of the PHI provided to OWNER, or created or received by OWNER, is destroyed or returned to RCEB or Covered Entity. If it is infeasible to return or destroy PHI as set forth above, the terms of this Agreement shall be extended to such PHI in perpetuity, in accordance with the termination provisions set forth below.

5.2 Termination for Cause. RCEB may terminate this Agreement for cause upon discovery of a material breach by OWNER as follows:

5.2.1 RCEB shall provide an opportunity for OWNER to cure the breach within ten (10) days from the date RCEB provides OWNER notice of the breach, or such longer period as may be agreed to by the Parties. If OWNER does not cure the breach within the cure period, then RCEB may immediately terminate this Agreement and any related Service Provider Agreement(s) in place between the Parties; or

5.2.2 RCEB may immediately terminate this Agreement, and any related Service Provider Agreement(s) in place between the Parties, if OWNER has breached a material term of this Agreement and cure is not possible; or

5.2.3 If neither termination nor cure is feasible, RCEB shall report the violation to Covered Entity and the Secretary.

5.3 Return of PHI. Upon termination:

5.3.1 Except as provided in paragraph 5.3.2 of this section, upon termination of this Agreement for any reason, OWNER shall return or destroy all PHI received from Covered Entity or RCEB, or created or received by OWNER on behalf of Covered Entity or RCEB. This provision shall apply to PHI that is in the possession of subcontractors or agents of OWNER. OWNER shall retain no copies of the PHI.

5.3.2 If OWNER determines that returning or destroying the PHI is not feasible or practicable, OWNER shall provide to Covered Entity and RCEB notification of the conditions that make return or destruction impossible or impracticable. Upon such notification, OWNER shall extend the protections of this Agreement to any retained PHI received hereunder and limit any further uses and disclosures to those purposes that make the return or destruction of the information impossible or impracticable for so long as OWNER maintains such PHI.

6. GENERAL PROVISIONS.

6.1 Notice. All notices, requests, and other communications given under this Agreement, shall be in writing and deemed duly given: (a) when delivered personally to the recipient; (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid); or (c) five (5) business days after being sent by U.S. certified mail (charges prepaid). Except as otherwise provided herein, all notices, requests or communications under this Agreement shall be addressed to the intended recipient as set forth below:

To RCEB:

Regional Center of the East Bay
Attention: Genia Lindberg
500 Davis Street, Suite 100
San Leandro, CA 94577

To OWNER:

OWNER
Attention: Eve Stewart
Senior Vice President, Real Estate
Development
1835 Alcatraz Avenue
Berkeley, CA 94703

6.2 Regulatory References. A reference in this Agreement to any section in the HIPAA Privacy Rule or Security Rule, or the HITECH Act, means the section as presently in effect or as amended.

6.3 Amendment. The Parties agree to take reasonable action to amend this Agreement from time to time as is necessary for all Parties to comply with the requirements of HIPAA, the HITECH Act, and all related, applicable state and federal laws.

6.4 Survival. The respective rights and obligations of OWNER under Sections 5 and 6 of this Agreement shall survive termination of this Agreement.

6.5 Interpretation. Any ambiguity in this Agreement shall be resolved to permit compliance with the HIPAA Privacy Rule and Security Rule, and the HITECH Act. If there is an inconsistency between the provisions of this Agreement and mandatory provisions of these statutes, the applicable statutory language shall control. Where provisions of this Agreement are different than those mandated by the applicable statutes, but are nonetheless permitted under the law, the provisions of this Agreement shall prevail.

6.6 Rights. Except as expressly stated herein, or the Parties to this Agreement do not intend to create any rights in any third parties, unless such rights are otherwise irrevocably established under HIPAA, or any other applicable law.

6.7 Assignment. No Party may assign its rights and obligations under this Agreement without the prior written consent of the other Party, except both Parties may assign this Agreement to any successors in interest, provided the assignor promptly notifies the other Party of such assignment.

6.8 Independent Parties. OWNER and its agents and employees, in performance of this Agreement, shall act in an independent capacity in the performance of this Agreement and not as officers or employees or agents of RCEB or Covered Entity. OWNER shall

be wholly responsible for the manner in which OWNER and its employees perform the services required of OWNER by the terms of this Agreement. OWNER shall not be, or in any manner represent, imply or hold itself out to be an agent, partner or representative of RCEB. OWNER has no right or authority to assume or create in writing or otherwise any obligation of any kind, express or implied, for or on behalf of RCEB. The only relationship between OWNER and RCEB is that of independent contractors and neither shall be responsible for any obligations, liabilities, or expenses of the other, or any act or omission of the other, except as expressly set forth herein.

6.9 Indemnity. OWNER agrees to indemnify, defend and hold harmless RCEB and Covered Entity, and their respective employees, directors, officers, agents, subcontractors, or other members of their workforce (collectively, “**Indemnitees**”) against all claims, demands, losses, damages or liability of any type or kind whatsoever, arising from or in connection with any breach of this Agreement or of any warranty hereunder or from any negligence or wrongful acts or omissions, including failure to perform its obligations under the Privacy Rule, the Standard Transactions and Code Sets Regulations, the Security Rule, HITECH or other state or federal health information privacy laws by OWNER. Accordingly, on demand, (i) OWNER at his own expense and risk, shall defend any suit, claim, action, legal proceeding, arbitration, or other mediation proceeding (each, an “**Action**”), that may be brought against the Indemnitees or any of them on any such claim or demand as set forth above (the Indemnitees need not have first paid any such claim in order to be so indemnified) and (ii) OWNER shall reimburse Indemnitees for any and all losses, liabilities, lost profits, fines, penalties, costs or expenses (including reasonable attorneys’ fees) that may for any reason be imposed upon Indemnitees as a result of any Action, with counsel reasonably satisfactory to RCEB. This Section shall survive the expiration or termination of this Agreement for any reason.

6.10 Interpretation; Venue; Jurisdiction. This Agreement shall be construed to comply with the requirements of the HIPAA Rules, and any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules. All other aspects of this Agreement shall be governed under the laws of the State of California. All actions between the Parties shall be venued in the state or district courts of the County of Alameda.

6.11 Waiver. No change, waiver, or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, nor shall such action prohibit enforcement of any obligation on any other occasion.

6.12 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall remain in full force and effect. In addition, if either Party believes in good faith that any provision of this Agreement fails to comply with the then-current requirements of the HIPAA Privacy Rule or Security Rule, or the HITECH Act, such Party shall notify the other in writing. For a period of up to thirty (30) days, the Parties shall engage in good faith discussions about such concern and, if necessary, amend the terms of this Agreement so that it complies with the law. If the Parties are unable to agree upon the need for amendment, or the amendment itself, then either Party has the right to terminate this Agreement upon 30 days’ written notice to the other Party.

6.13 Counterparts; Electronic Copies. This Agreement may be executed in counterparts, each which shall be deemed an original and all of which shall constitute a single instrument. Signed copies of this Agreement delivered by fax or in a PDF email file shall be deemed the same as originals.

Executed at San Leandro, California, as of the date first set forth above.

RCEB:

Regional Center of the East Bay, Inc., a
California nonprofit corporation

By: _____
Name: _____
Title: _____

OWNER:

Thornton, L.P.,
a California limited partnership

By: Satellite AHA Development, Inc.,
a California nonprofit public benefit
corporation,
its general partner

By: _____
Susan Friedland,
Chief Executive Officer

Exhibit D

POSSIBLE CONFLICTS WITH DDS CPP/CRDP FY 17-18 HOUSING GUIDELINES:

1. Owner purchased the Property on 6347, 6361 and 6375 Thornton Avenue, Newark, California 94560 not using CPP/CRDP Funds, and not using a down payment of at least 20% of the purchase price.
2. Only 10 of the 57 total units comprising the Apartments will be set aside for Consumers.
3. OWNER shall offer supportive resident services to all residents of the Apartments.
4. There shall not be a lease agreement between the HDO and the service provider (the HDO-service provider lease).
5. OWNER intends to encumber the Apartments with mortgage loans that shall exceed a 15 year term.
6. The Apartments will not be available for occupancy within one (1) year of the Department's Approval of the HAR.