CPP/CRDP HOUSING AGREEMENT

(FY 2024-2025)

(RCEB CRDP 2024-2025 # 2)

This Community Placement Plan/Community Resource Development Plan (CPP/CRDP) Housing Agreement (this "**Agreement**"), dated for reference purposes as of June 30, 2025 (the "**Effective Date**"), is entered into by 1740 San Pablo Housing, LP, a California limited partnership ("**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 intellectual and developmental disabilities ("the **Consumers**") in the counties of Alameda and Contra Costa, California.

B. Owner's Mission. Owner 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.

C. The Property. Owner holds title in the property located at 1740 San Pablo Avenue, Berkeley, California 94702 ("the **Property**") in the County of Alameda.

D. The Apartments. Owner intends to develop project site to a new-construction affordable housing development consisting of 54 rental apartments and ancillary improvements (collectively, the "**Apartments**"). The project will provide 54 units of affordable housing for large family households earning between 30-60% Area Median Income (AMI). Twenty-one (21) units will have Project Based Vouchers. The building will contain five (5) studio apartments, seventeen (17) one-bedroom apartments, seventeen (17) two-bedroom units, fifteen (15) three-bedroom units, and one (1) manager's unit.

E. RCEB-Restricted Units. Following completion of construction of the Apartments, Owner shall provide a set-aside of fifteen (15) 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 five (5) studio-apartments, five (5) one-bedroom apartments, four (4) two-bedroom apartments, and one (1) three-bedroom apartment, with a minimum of two (2) units fully accessible with roll in showers. The affordability of the RCEB-Restricted Units may range from 30% AMI to 60% AMI.

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" mean Owner. Owner is

responsible for complying with all CPP/CRDP Guidelines applicable to the Property. If DDS amends or updates the CPP/CRDP Guidelines before the parties record the DDS Deed of Trust and Regulatory Agreement (as discussed in Section 3.4 below), the parties shall comply with the terms and conditions in the amended or updated CPP/CRDP Guidelines.

G. Housing Proposal; Funding Approval; 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 Property. Specially, Owner intends to use such funds along with other funds to construct the Apartments, including the RCEB-Restricted Units. 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 "**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. Following its construction loan closing, and 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 Owner's rights and obligations to each other with respect to development and management of the Property and Owner'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 CRDP Funds. The maximum amount of FY 2024-2025 CRDP Funds available for a loan related to the Property is One Million Five Hundred Thousand Dollars ($1,500,000) (See Exhibit A). Owner must ensure the expenditure of all the CRDP Funds by March 31, 2027; any unspent funds will revert to the State.

2. Uses of CRDP Funds. The CRDP Funds may be used for a loan related to the Property pursuant to a final budget (the "**Final Budget**") which Owner shall submit to RCEB for approval not later than 15 days after the City of Berkeley Building Department approves the final plans and specifications for the construction of the Apartments on the Property.

2.1 Portion of Costs. The CRDP Funds constitute only a portion of the total estimated cost of $52,050,396 necessary for the development of the Apartments at the Property. The application of the CRDP Funds shall be subject to the approval of RCEB and DDS, taking into account the requirements and priorities of other funders of the Apartments.

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.

3. Disbursement of CRDP Funds.

3.1 Disbursement; Funding Conditions. Provided the CRDP Funds are expended not later than March 31, 2027, RCEB shall disburse the maximum amount of One Million Five Hundred Thousand Dollars ($1,500,000) of CRDP Fund in the form of a 55-year non-amortizing loan to Owner in accordance with the terms of this Agreement. RCEB shall disburse such funds as provided in Section 3.2 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 Escrow. The CRDP Funds earmarked by RCEB for the Property shall be disbursed by RCEB directly to an escrow holder (the "**Escrow Agent**") 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 closing date of the escrow.

3.3 Disbursement Contingent on Recording of Documents. RCEB's escrow instructions shall provide that the Escrow Agent shall not disburse any 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.

3.4 Delivery of Documents to DDS. In the event that Owner 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, following Owner's execution of such documents. Owner has the right to reasonably approve the DDS Note, the DDS Deed of Trust, and Regulatory Agreement (collectively, "**DDS Documents**"), and may terminate this Agreement if Owner does not reasonably approve of the DDS Documents prior to executing any of the DDS Documents. The Parties will work in good faith to seek a DDS waiver of provisions in CPP/CRDP Guidelines that may conflict with this Agreement prior to execution of the DDS Documents, but RCEB will provide no assurance that DDS will agree to such waivers. If DDS fails to grant such waivers, either party may terminate this Agreement prior to the full execution of the DDS Documents due to the failure of a contingency. A preliminary list of possible conflicts is included in Exhibit D.

4. Applicability of CPP/CRDP Guidelines. From and after construction loan closing for the Apartments, 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. 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 31, 2027, 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, RCEB and Owner will work collaboratively to ensure the development of the Apartments on the Property following Owner's construction loan closing and provide for the occupancy of RCEB-Restricted Units by Consumers, based on the needs identified by RCEB, and 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 of the Apartments at the Property. RCEB will be afforded the opportunity to review the Property Management Agreement for the development. At a minimum, 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. Notwithstanding the foregoing, RCEB received and approves the Implementation Plan set forth above.

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 Owner's financial statements, and Owner shall fully cooperate in such process. Such analysis may include, but not be limited to, a calculation of Owner's debt coverage ratios (including debt to earnings ratio, debt to equity ratio, and EBITDA ratios), cash reserves, working capital and operating margin.

8. Notices to RCEB. Owner shall notify RCEB in writing (1) when the Owner opens the escrow for the construction loan; (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 CRDP Funds 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.

9. Scope of Services. Owner is acting as an independent contractor of RCEB to pursue the interest of Consumers with respect to housing opportunities at the Property. Owner will comply with this Agreement, which sets forth RCEB's goals to design, finance, develop, lease, and manage high-quality, affordable and inclusive housing to Consumers is furthered. In addition, following

lease up on the RCEB-Restricted Units, Owner shall provide the following services: (i) coordinating with RCEB to maximize the initial marketing of the housing opportunity to Consumers; (ii) coordinating with RCEB which will help Consumers participate successfully in the application process and leasing of the Property; (iii) 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 (iv) coordinating with RCEB who will provide (or who will fund the a service provider to provide) individual housing retention services to Consumers living at the Property to promote their housing stability, or coordinating such services with other vendors.

9.1 Occupancy by Consumers. Prior to lease up of the Apartments, Owner or its agent shall develop and implement a marketing and outreach plan for the lease-up of the Apartments, including the RCEB-Restricted Units. All Consumers ultimately occupying the RCEB-Restricted Units must (i) meet the eligibility criteria as set forth in Recital E above, (ii) be subject to the terms of Section 21.1; and (iii) within RCEB's Community Placement Plan/Community Resource Development Plan. No Consumers shall occupy the Apartments at the Property until the Apartments have received a temporary or final Certificate of Occupancy by the responsible local agency.

9.2 The Leases. Prior to completion of construction of the Apartments, Owner or its agent 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 (or other tenant selection process) for other units available at the Property. Owner will also coordinate with RCEB who will provide housing retention services to the Consumers who enter into a Lease at the Property to enable them to satisfy all of a tenant's responsibilities and enjoy all of a tenant's rights under the Lease. RCEB will be responsible for engaging third parties to provide Supported Living Services or Independent Living Services that Consumers at the Property may require. Owner shall have no obligation to provide such services to Consumers.

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, renovation and development of the Property, 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.

10.3 Notice and Cure Agreement. Prior to the Owner incurring a Loan secured by a Deed of Trust encumbering the Property, Owner shall require each Lender to sign, and deliver to RCEB, an Agreement to Provide Notice and Cure rights (the "**Notice and Cure Agreement**"), unless DDS waives such requirement. RCEB will undertake commercially reasonable efforts to request such waiver from DDS, but will provide no assurance that DDS will agree to the terms of any waiver. The form of the Notice and Cure Agreement shall be the same as the form attached as an exhibit to the CPP/CRDP Guidelines, or such other form agreed to by the parties and DDS. The purpose of such document is to ensure that the Lender will give RCEB and DDS adequate notice and the opportunity to cure any default by the Owner under the Loan. The parties agree to modify the form of the Notice and Cure Agreement if so requested by DDS. RCEB shall submit a signed copy of the Notice and Cure Agreement to DDS within 15 days after the date it is received by RCEB.

11. Delivery and Recording of DDS Documents. Prior to the disbursement of any 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 ensure 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 RCEB's disbursement of CRDP Funds, and Owner or RCEB may terminate this Agreement if Owner notifies RCEB that it does not approve or will not execute and deliver such documents.

11.5 Responsibility of Owner. At all times during the ownership of the Property, Owner shall comply with all of the provisions in the Regulatory Agreement, the DDS Note and DDS Deed of Trust and will negotiate any amendments (which shall be subject to approval by Owner's lenders and investors) of the DDS Documents that may be requested from time to time by DDS if such amendments are required by the CPP/CRDP Guidelines or any subsequent guidelines or regulations promulgated by DDS.

12. Title Insurance. Prior to disbursement of the CRDP Funds, Owner shall obtain a lender's policy of title insurance in favor of DDS with respect to the DDS Deed of Trust, provided that the Regulatory Agreement must appear on Schedule B thereof in favor of DDS. The cost of the lender's policy may be paid from 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 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, Owner shall deliver two 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. Following recordation of the DDS Deed of Trust, or from and after the disbursement of CRDP Funds, at all times during Owner's ownership of the Property, Owner, through its property management agent, shall be responsible for the property management duties required for the maintenance and operation of an affordable housing rental property in good condition and repair and 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 turnover time expected; (3) collecting rent and third party rent subsidies and paying all of the normal landlord 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 material 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 Owner have been ineffective in its property management performance, then RCEB may notify Owner of its findings

by a written notice thereof. Within fifteen (15) days after receipt of such written notice, RCEB and Owner shall meet in good faith to consider methods for improving 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 Owner is not operating and managing the Property in accordance with the material requirements and standards of this Section, then on RCEB's reasonable request, the Property Manager shall be replaced with a property manager reasonably acceptable to RCEB.

17. Real Property Taxes. Following completion of construction, Owner shall apply 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 CRDP Funds shall be conditioned on Owner'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 all Apartments must contain the following provisions: (i) the contractor shall only be entitled to payments based upon performance or other commercially reasonable terms that are standard for affordable housing projects; (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; (iii) the Owner will withhold a 10 percent retention (subject to certain early releases for early subcontractors, equipment and materials), which it shall only disburse to the contractor after the work is completed, a Certificate of Occupancy (or its equivalent) is provided by the local agency (e.g., building inspector); and (iv) shall provide for RCEB (or its representative) to conduct walk-through inspections of the Apartments during construction.

18.4 Reasonable Accommodations. Upon the request of a resident, Owner shall make reasonable accommodation for individuals with handicaps or disabilities (applicants or residents). Such accommodations may include preforming structural modifications to housing and non-housing facilities on site 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 for Owner.

18.5 Construction Insurance. Prior to the commencement of Apartments 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. In its construction of the Apartments, Owner shall be responsible for causing all Apartments to be constructed in a good and workmanlike 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. Prior to the commencement of Apartments at the Property, Owner shall comply with the following obligations, 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 IV (N) 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. In its construction of the Apartments, 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. In leasing the Apartments, 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 CRDP Funds for FF&E or Developer Fee. RCEB shall disburse CRDP Funds in accordance with the procedures in this Agreement. Eligible expenses include all eligible expenses described in Section VII of the CPP/CRDP Guidelines, subject to the parties' review and approval of the eligible expenses, or as otherwise approved by DDS, except for all developer fees and furniture, fixtures and equipment, which shall not be paid by the 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 to the extent RCEB needs such information in order to comply with the CPP/CRDP Guidelines.

18.11 Monthly Updates. From and after Owner's commencement of construction of the Apartments, on a monthly basis during the construction of the Apartments, or more frequently upon RCEB's reasonable 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, Owner shall provide to RCEB invoices and other evidences of the Owner's costs for such work paid for with CRDP Funds, including evidence of payment to third parties.

18.13 [deleted].

18.14 Fire Sprinkler; Rooms. Owner shall ensure each of the RCEB-Restricted Units will have, upon certificate of occupancy, (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 for units with bedrooms. The studio units will not have separate bedrooms.

18.15 [deleted].

19. Covenant Against Mechanic's Liens. Following recordation of the DDS Deed of Trust, during Owner's ownership of the Property, 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 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 or provide a bond in the applicable statutory amount relating to such lien 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 CRDP Funds Generally

20.1 Sole Compensation. Owner acknowledges that Owner's sole compensation from RCEB and DDS 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 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 [deleted].

20.3 General Funding Requirements and Limitations. Owner shall not bill Consumers 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 to 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. All Tenant selection for the RCEB-Restricted Units will also be subject to the applicable rules and regulations of the Owner's City financing and project based voucher financing, which may impose income and additional preference criteria.

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 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 in accordance with the requirements of the Tax Credit Allocation Committee Regulatory Agreement requirements for such units; (3) terminate a Consumer's Lease for any reason other 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 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's permission, Owner shall promptly notify RCEB of such fact in writing. To help ensure each Consumer gives permission to Owner to make such disclosure, at the time of the initial lease signing, Owner shall present all Consumers with a consent form that gives Landlord, Owner and each of their agents and representatives permission to immediately notify RCEB in writing as soon as Tenant becomes delinquent in the payment of rent or any other monetary or non-monetary obligation under this 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 a reserve account 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 Property 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 Property, 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, in its sole 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 "**Assignment**"). The transfer of control of the ownership of the Owner to any third party (or if Owner creates a single member LLC, the addition or substitution of a member to such LLC which controls such LLC) shall constitute an assignment which requires RCEB's consent hereunder. Notwithstanding the forgoing, Owner may transfer the Property and this Agreement (i) to another nonprofit tax-exempt entity (or limited partnership whose managing general partner is a nonprofit tax exempt entity) or (ii) in connection with Owner's tax credit and project financing, in each case subject to the prior written approval of RCEB (and any applicable provisions of the DDS Documents), which approval will not be unreasonably withheld, conditioned or delayed. If the transfer occurs before the applicable DDS Documents are recorded, it shall be reasonable for RCEB to condition its consent on the following: (i) the transferee's execution of the Assignment; (ii) the transferee's execution of the DDS Documents; (iii) the transferee's vendorization with RCEB; and (iv) DDS's consent to the transfer. If the transfer occurs after the applicable DDS Documents are recorded, it shall be reasonable for RCEB to condition its consent on the following: (i) the transferee's execution of the Assignment: (ii) the transferee's execution of an assumption of the DDS Documents; (iii) the transferee's vendorization with RCEB; and (iv) DDS's consent to the transfer. In addition, (a) Owner may transfer its limited partnership interests without the prior written consent of RCEB, conditioned on Owner's completion and delivery to RCEB of an updated DS 1891 disclosing the new ownership structure, Owner providing written notice to RCEB and becoming revendorized with RCEB as a condition to such transfer; and (b) following a default by Owner or its general partner, Owner's tax credit investor limited partner shall be permitted to remove the general partner, provided, that (i) as early as practicable before such removal of the general partner, Owner shall provide RCEB and DDS with advance written notice of such intended removal and (ii) within

30 days after such removal, Owner shall complete and deliver an updated DS 1891 to RCEB reflecting such new ownership and control structure.

24. Independent Contractor. Owner and its agents and employees, in the performance of this Agreement, shall act at all times in an independent capacity. Owner and its 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. At all times during Owner's ownership of the Property from and after the recordation of the DDS Deed of Trust, 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 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. The provisions of this Section 26 will apply upon the first draw of CRDP Funds. 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 its employees, agents, consultants or anyone employed by

Owner to act on its behalf, (b) claims under workers' compensation laws or other employee benefit laws by Owner's or its 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 its respective employees, agents, consultants or subcontractors in connection with the conduct of its activities performed in connection with this Agreement.

26.1 Assumption of Defense. Owner shall assume the defense, at its sole expense, and with legal counsel acceptable to RCEB, of any claims or litigation as to which Owner has an indemnification obligation hereunder; RCEB shall cooperate with Owner and its 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 Owner fails 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 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 expense and/or (3) terminate this Agreement without further notice if 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 The DDS Documents are in addition to and independent of this Agreement. Therefore, notwithstanding anything to the contrary in this Agreement, DDS and RCEB may separately pursue their respective rights and remedies under any or all of the DDS Documents at any time.

27.5 Notwithstanding any provisions in this Section 27 to the contrary, if RCEB has clear and convincing evidence of misconduct by Owner or its 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, subject to the provisions in Section 13 above.

28. Termination Right. Owner may terminate this Agreement without cause prior to Owner executing any of the DDS Documents and Owner's first draw by sending written notice to RCEB. RCEB may only terminate this Agreement (i) for cause, after providing Owner notice and opportunity to cure as provided in this Agreement, or (ii) without cause due to the failure of a contingency, such as the failure of the Funding Contingency (defined in Section 32) or Owner's failure to execute the DDS Documents.

29. Specific Performance. The parties acknowledge that a breach of this Agreement by 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 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 obligations under this Agreement, subject to the limitations of Section 30. Thus, RCEB may obtain a temporary restraining order, preliminary injunctive relief and permanent injunctive relief to require Owner to perform its obligations to RCEB.

30. Limitation on RCEB's Liability and Owner Liability. Notwithstanding any provision to the contrary contained in this Agreement, RCEB's liability hereunder shall be limited to an amount equal to the aggregate dollar value of all 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, subpartners 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 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. In no event shall Owner or any of its partners, subpartners or any of their respective officers, agents, servants, employees, and independent contractors be liable to RCEB under any circumstances for repayment of the CRDP Funds provided pursuant to this Agreement or for 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; provided, however,

nothing in this Agreement is intended to limit any rights or remedies held by DDS and RCEB under any of the DDS Documents.

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 reasonably 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 Property, employee resumes and background experience, certifications, budgets, financial statements, construction cost audit, and other information relating to the Property. 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 maintain and preserve, until three years after the service has been performed, any pertinent books, documents, papers, and records relative to this Agreement. 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 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 and deliver it to RCEB within nine months after the end of the Owner's fiscal year.

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 DDS for any reason fails to deliver the CRDP Funds. 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 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), Alternatively and in addition, RCEB may disburse all funds into escrow at construction loan closing, and in such event those funds can be drawn down by Borrower at that time.

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 Employee Rights. 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 its 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. To the extent Owner has access to "protected health information," including but not limited to "individually identifiable health information," it 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.

35. [deleted].

36. Cooperation; Adequate Staffing. Owner shall meet as often as RCEB reasonably determines necessary to meet Owner's obligations under this Agreement and shall work collaboratively with any RCEB staff regarding the development of the Property. Owner agrees that it will supply staff sufficient in numbers or contract with third parties 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 its 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 its 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://www.rceb.org/sites/main/files/file-attachments/zerotolerancepolicy.pdf. 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 its 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 its employees shall unlawfully manufacture, distribute, dispense, possess or use "controlled substances" (as defined in 21 U.S.C. Section 812), at any of its 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 Community Resource Development Plan 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 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:	To Owner:
Regional Center of the East Bay Attn: Steve Robinson, Director, Community Services 500 Davis Street San Leandro, CA 94577	1740 San Pablo Housing, L.P. Attn: Alice Hu Project Manager 350 California Street, 16th Floor San Francisco, CA, 94104

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 or conflict with other funding sources or governmental requirements pertaining to the Apartments 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 Alameda County, California.

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.

-No Further Text on This Page-

Executed in [_____], California, as of the date first written above.

By: 1740 San Pablo Housing, LP
a California limited partnership

By: 1740 San Pablo Housing, LLC,
a California limited liability company,
its General Partner

By: Bridge Housing Corporation,
a California corporation,
its Manager

By: _____
Name: _____
Title: _____

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

By:_____
Rebecca Nanyojo, Executive Director

Exhibits:
Exhibit A: DDS Approval
Exhibit B: Multifamily Budget
Exhibit C: Business Associate Agreement
Exhibit D: Possible Conflicts with CPP/CRDP Guidelines

Exhibit A
(DDS Approval)

Exhibit B

Multifamily Development Budget –

Exhibit C

BUSINESS ASSOCIATE AGREEMENT - CONTRACTOR

This Business Associate Agreement - Contractor ("**Agreement**"), effective as of June 30, 2025, is entered into by and between Regional Center of the East Bay, Inc., a California nonprofit corporation ("**RCEB**") and 1740 San Pablo Housing, LP 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:

1740 San Pablo Housing, L.P.
Attn: Alice Hu
Project Manager
350 California Street, 16th Floor
San Francisco, CA 94104

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.

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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 _____, 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:

By: 1740 San Pablo Housing, LP,
a California limited partnership

By: 1740 San Pablo Housing, LLC,
a California limited liability company,
its General Partner

By: Bridge Housing Corporation,
a California corporation,
its Manager

By: _____
Name: _____
Title: _____

Exhibit D

POSSIBLE CONFLICTS WITH DDS CPP/ CRDP GUIDELINES:

1. 15 of the 54 total units comprising the Apartments will be set aside for regional center clients.
2. There shall not be a lease agreement between the Owner and the service provider (the HDO-service provider lease).
3. Owner intends to encumber the Apartments with mortgage loans that shall exceed a 15-year term (other than for the construction loan term).
4. The Apartments will not be available for occupancy within one (1) year of the Department's Approval of the HAR.

5. The Department will be required to subordinate its Regulatory Agreement and Deed of Trust to construction and permanent financing.