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Goldfarb & Lipman LLP

November 4, 2019

Sharon Anderson, County Counsel
Contra Costa County
651 Pine Street, 9th Floor
Martinez, CA 94553

Darin Lounds, Executive Director
Housing Consortium of the East Bay
410 7th Street, Suite 203
Oakland, CA 94607

via email and u.s. mail

Re: Consents to Potential Conflict of Interest and Joint Representation –
Virginia Avenue and South 9th Street

Dear Ms. Anderson and Mr. Lounds:

We write this letter to disclose our representation of the County of Contra Costa (the "County") and the Housing Consortium of the East Bay (the "Developer") (collectively, the "Parties" each a "Party"), and to request the consent of the County and the Developer for Goldfarb & Lipman LLP to jointly represent the County and the Developer in connection with certain transactions pertaining to two properties currently owned by Rubicon Programs, Inc. ("Rubicon") located at 903-909 Virginia Avenue, Richmond and 360-366 South 9th Street, Richmond, in Contra Costa County (the "Properties") as described below.

Specifically, the Developer intends to purchase the Properties from Rubicon, and the County intends to provide the Developer with a revocable grant of One Million One Hundred Seventy-Five Thousand Dollars (\$1,175,000) in Special Needs Housing Program funds to assist in the acquisition of the Properties (the "Acquisition Transaction"). The County previously provided Rubicon a grant of Mental Health Services Act funds which the Developer intends to assume concurrently with the acquisition of the Properties (the "Assumption Transaction"). The Acquisition Transaction and the Assumption Transaction are collectively referred to as the "Transaction." Documents that will be required for this Transaction and that will be prepared by the County include, but are not limited to, an Assignment and Assumption and Consent Agreement among the County, the Developer, and Rubicon; a Grant Agreement between the County and the Developer; and a Regulatory Agreement between the County and the Developer (the "Grant Documents").

The specific purpose of this letter is to advise you of a potential conflict of interest of Goldfarb & Lipman due to the existing and continued relationships that Goldfarb & Lipman has separately with each of your organizations, and the proposed joint representation of both of you in this Transaction. Isabel Brown is the attorney working



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with the County in the preparation of the Grant Documents, and Robert Mills is the attorney working with the Developer in all aspects of the Transaction. Although different Goldfarb & Lipman attorneys represent the County and the Developer in the Transaction, such representation is still considered joint representation.

To undertake this representation, we are required to (1) disclose in writing our existing relationship with each of you, (2) obtain the informed written consent of each of you to such potential conflict of interest, and (3) obtain agreement from each of you to the limited joint representation as described in this letter. We believe that we will be able to provide competent and diligent representation to each of you in this matter.

I. Existing Relationships.

The County is an existing client of Goldfarb & Lipman. We have and continue to represent the County in connection with numerous housing loan transactions through the County.

In addition, the Developer is an existing client of Goldfarb & Lipman. We have and continue to represent the Developer in connection with affordable housing projects throughout the Bay Area.

II. Potential Conflict of Interest.

While we are unaware of any current conflict of interest created by our existing relationships described in Section I above (except for the Joint Representation discussed below), as attorneys, we are governed by specific rules relating to our representation of clients when potential conflicts of interest exist. We must disclose certain information, and obtain the informed written consents of each of you to represent each of you in connection with the Transaction as described in this letter, in accordance with Rules 1.1, 1.4, 1.6, 1.7, 1.8.2., 1.9 and 1.10 of the Rules of Professional Conduct of the State Bar of California (the "CRPC").

Our representation of each of you in connection with the Transaction could potentially create a conflict of interest for Goldfarb & Lipman related to, among other matters, differences in opinion regarding the terms of the Grant Documents, or if we have or become aware of information regarding one of you that is relevant to the Transaction which would have an adverse effect on the other Party. At this time, we do not believe that there is an actual conflict of interest for Goldfarb & Lipman, and we believe that we can competently represent each of you in this Transaction and still maintain our independent judgment and duty of loyalty to each of you in unrelated matters. In addition, we do not believe that we have obtained any confidential information from the Developer which is material to our proposed representation of the County, or from the County which is material to our proposed representation of the Developer.

However, if an actual conflict should arise related to the Transaction in which: (i) the interest of the County is now adverse to the interest of the Developer, that would affect our independent judgment and our duty of loyalty to each of you in the unrelated matters; (ii) the issue of dispute

in this Transaction is substantially related to the same issue in which we have represented either of you in other matters; or (iii) we have obtained any confidential information from the Developer that is material to our representation of the County, or any confidential information from the County that is material to our representation of the Developer, we would need to determine if we could continue to represent the County and the Developer in the Transaction. In reaching our decision, we would first need to determine if we could competently continue such representation, notwithstanding the adversity, and after such determination, we would further need to obtain the informed written consent of each of you.

III. Joint Representation.

Each of you have requested Goldfarb & Lipman to represent you in this Transaction (the "Joint Representation"). The informed written consents of the each of you are requested because of the potential conflict of interest that may arise due to Goldfarb & Lipman's Joint Representation.

The interests and objectives of each of you in the Joint Representation related to the Transaction are, or may become, inconsistent with one another. Therefore, it is important that you thoroughly understand the consequences of the Joint Representation.

In representing both of you in connection with the Joint Representation, Goldfarb & Lipman will strive to provide legal services that are equally beneficial to both of you. In other words, rather than vigorously asserting each of your respective interests regarding these issues, we will strive to reach agreements on matters that are mutually beneficially to both of you. The consequence is that there is likely to be a balancing of interests between your two organizations.

At this point, we feel that we can competently and diligently represent all of your respective interests, that the representation does not involve the assertion of a claim by one of you against the other, and that we do not believe that our representation of one of you will be materially limited by our responsibilities to or relationship with the other of you. There are, however, some consequences of Joint Representation that each of you should consider, and for which you may wish to obtain the advice of independent legal counsel, before consenting to such representation.

a. No Secrets. Goldfarb & Lipman cannot maintain any secrets between each of you in connection with the Joint Representation. Normally, Goldfarb & Lipman would keep confidential all client information. However, anything disclosed by either of you to Goldfarb & Lipman that is relevant to this Joint Representation must be disclosed to the other Party.

Additionally, in fulfilling our obligations to provide competent legal services, we may have to disclose to either of you any information that we have obtained from the other Party in this Transaction or any other matters that may be relevant or material to this Joint Representation. However, we would be required to obtain your prior informed written consent before we could make any such disclosures. At this point, we are unaware of any information that would require such disclosure.

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b. Attorney-Client Privilege. With Joint Representation, each of you separately waive the attorney-client privilege with regard to communications with Goldfarb & Lipman in connection with the Joint Representation. This means that in the event of any dispute (including litigation) between each of you in connection with the Joint Representation, Goldfarb & Lipman could be compelled to testify about attorney-client communications regarding the Joint Representation that would otherwise be confidential and privileged without this waiver. Both of you would, however, maintain the attorney-client privilege against third parties who might make any claim or file a lawsuit against either of you in relation to the Joint Representation.

c. Adverse Interest. If any actual adverse interest develops between each of you related to the Joint Representation, then we will have to determine whether we can competently continue our representation, even if both of you are willing to provide informed written consent. If the interests of the County and the Developer become adverse, and as a consequence, we make the determination that we can no longer provide competent legal representation to both of the respective interests, we would then need to withdraw from representing both Parties in the Joint Representation. Rule 1.4 of the CRPC requires us to keep both of you promptly informed of all material matters or issues in the Joint Representation and the Transaction, so that we would immediately disclose to both of you when there is a change of this nature.

d. Rules of Professional Conduct. As attorneys we are governed by specific rules relating to our representation of clients where we have a relationship with both parties and therefore a potential conflict of interest. Rules 1.1, 1.4, 1.6, 1.7, 1.8.2., 1.9 and 1.10 of the CRPC govern conflicts of interest. Accordingly, we must obtain the informed written consent of each of you before proceeding with our Joint Representation of each of you in connection with the Transaction.


IV. Informed Written Consent

You should thoroughly review and consider the matters discussed in this letter, and consider seeking independent counsel before providing your consent. If, after such review, each of you consents to Goldfarb & Lipman representing each of you in the manner outlined above, please sign and return the attached consent form (i) acknowledging that you have been advised of Goldfarb & Lipman's past and continuing relationships with each of you; (ii) acknowledging that you have been advised to Rules 1.1, 1.4, 1.6, 1.7, 1.8.2., 1.9 and 1.10 and the potential conflict of interest associated with our Joint Representation of each of you in connection with the Transaction; (iii) the consequences of Joint Representation in relation to the Transaction; and (iv) that you nevertheless consent to our representation of you in connection with the Transaction and to our Joint Representation of each of you in connection with the Transaction.

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If you have any questions regarding this letter or our representation of each of you, please call us before signing and returning a signed copy of this letter.

Sincerely,

A handwritten signature in cursive script that reads "Isabel B" followed by a horizontal line.

ISABEL BROWN

A handwritten signature in cursive script that reads "Robert C. Mills".

ROBERT C. MILLS

CONSENT

The Housing Consortium of the East Bay (the "Developer") intends to purchase the properties currently owned by Rubicon Programs, Inc. ("Rubicon") and located at 903-909 Virginia Avenue, Richmond and 360-366 South 9th Street, Richmond, in Contra Costa County (the "Properties"). The County of Contra Costa (the "County") intends to provide the Developer with a revocable grant of One Million One Hundred Seventy-Five Thousand Dollars (\$1,175,000) in Special Needs Housing Program funds to assist in the acquisition of the Properties (the "Acquisition Transaction"). The County previously provided Rubicon a grant of Mental Health Services Act funds which the Developer intends to assume concurrently with the acquisition of the Properties (the "Assumption Transaction"). The Acquisition Transaction and the Assumption Transaction are collectively referred to as the "Transaction." Documents that will be required for this Transaction and that will be prepared by the County include, but are not limited to, an Assignment and Assumption and Consent Agreement among the County, the Developer, and Rubicon; a Grant Agreement between the County and the Developer; and a Regulatory Agreement between the County and the Developer.

Goldfarb & Lipman has explained to each of you: (i) Goldfarb & Lipman's past and continuing relationships with each of you; (ii) CRPC Rules 1.1, 1.4, 1.6, 1.7, 1.8.2., 1.9 and 1.10 and the potential conflict of interest in relation to Goldfarb & Lipman's proposed representation of the County and of the Developer and the possible consequences of this conflict; (iii) the potential conflict of interest that Goldfarb & Lipman may have in its Joint Representation of each of you in connection with the Transaction; and (iv) the consequences of such Joint Representation. Each of the undersigned nevertheless consents to representation by Goldfarb & Lipman regarding the Transaction and gives approval to such representation as described in this letter.

[signatures on following page]

We understand that we have the right to seek independent counsel before signing this consent or at any future time.

Dated: _____

COUNTY

CONTRA COSTA COUNTY, a political
subdivision of the State of California

By: _____

Name: _____

Its: _____

Dated: _____

DEVELOPER

HOUSING CONSORTIUM OF THE EAST BAY,
a nonprofit public benefit corporation

By: _____

Name: _____

Its: _____