



Contract Number  
21-132 A3

SAP Number

## Community Development and Housing

<b>Department Contract Representative</b>	<u>Carrie Harmon</u>
<b>Telephone Number</b>	<u>(909) 382-3983</u>
<b>Contractor</b>	<u>Quality Management Group, Inc.</u>
<b>Contractor Representative</b>	<u>Josh LaBarge</u>
<b>Telephone Number</b>	<u>(909) 931-9763</u>
<b>Contract Term</b>	<u>02/09/2021 to 02/09/2026</u>
<b>Original Contract Amount</b>	<u>\$800,000</u>
<b>Amendment Amount No. 1</b>	<u>\$800,000</u>
<b>Amendment Amount No. 2</b>	<u>\$800,000</u>
<b>Amendment Amount No. 3</b>	<u>\$1,526,809</u>
<b>Total Contract Amount</b>	<u>\$3,926,809</u>
<b>Cost Center</b>	<u>6210002507</u>

**IT IS HEREBY AGREED AS FOLLOWS:**

**AMENDMENT NO. 3:**

It is hereby agreed to amend Contract No. 21-132, effective April 23, 2024, as follows:

**ARTICLE 2. EMPLOYMENT OF AGENT: TERM**

**Amend paragraph 2.2(a) to read as follows:**

2.2(a) Term. Except as may be otherwise provided in this Section, the term of this Agreement shall commence on the Effective Date and is extended until February 9, 2026.

**Amend Paragraph 2.7(a) to read as follows:**

2.7(a) Continuation of Contracts and Fees: Owner shall remain obligated to Agent for all management fees earned by Agent through the date of termination and for all reimbursements due to Agent through the date of termination pursuant to this Agreement not to exceed \$800,000 annually to fund the overall cost of operations for Pacific Village. Prior to terminating this Agreement as a result of the misappropriation of funds of Owner by

Agent or the negligence of Agent, Owner and Agent will confer in good faith for a period not to exceed thirty (30) days to determine if the Agent is able to remedy the issue or if a feasible and mutually acceptable arrangement can be made to correct the misappropriation of funds of Owner by Agent or the negligence of Agent. If no agreement is reached between the Owner and the Agent within such thirty (30) day period, this Agreement may be terminated by written notice from the County to the Agent. Notwithstanding other language in this Agreement, if the termination is a result of the misappropriation of funds of Owner by Agent, the remaining fee obligations of Owner to Agent shall be cancelled.

**Addition to Paragraph 3.2 to read as follows:**

(e) Owner will make an initial Capitalized Operating Subsidy Reserve contribution to Agent in accordance with the Disbursement Account Control Agreement to fund the Capitalized Operating Subsidy Reserve Account with California Emergency Solution and Housing program (CESH) funds in the amount of \$1,526,809 (One Million, Five Hundred twenty-six Thousand Eight Hundred and Nine Dollars) to establish the Capitalized Operating Subsidy Reserve (COSR). The Agent shall create and maintain a segregated interest-bearing account held by the Agent within 30 days of the effective date of Amendment No. 3 to the Agreement. Any interest earned on funds in the Capitalized Operating Subsidy Reserve shall be added to and become part of the Capitalized Operating Subsidy Reserve. Funds in the Capitalized Operating Subsidy Reserve Account are subject to California Emergency Solution and Housing program (CESH) requirements per SB2, Chapter 364, Statutes of 2017.

- i. In no event shall any of the Capitalized Operating Subsidy Reserve funds be used to pay any partnership fee.
- ii. The Capitalized Operating Subsidy Reserve is intended to assure the long-term financial viability of the Project and shall not be transferable and must remain with the Project.

(f) The Capitalized Operating Subsidy Reserve shall be used to pay monthly operating costs for the project for the Term of the Agreement. The Agent shall be allowed to make monthly withdrawals in an amount not to exceed Sixty-Six Thousand Six Hundred Sixty-Six Thousand Dollars (\$66,666) or such other amount that may be approved by the County in writing and only when all County funds available to Agent through Haven View Escrow have been fully depleted. Agent will comply with reporting requirements in accordance with Section 4.8 of the Amended Property Management Agreement.

**Addition of Paragraph 3.3 to read as follows:**

(d) Agent is authorized to utilize CESH to fund Capitalized Operating Subsidy Reserve as permitted under the SB2, Chapter 364 Staties of 2017.

**Amendment to Paragraph 4.12 to read as follows:**

Return of Improperly Expended/Unexpended Funds. If, based on Owner audit, it is determined that Agent has improperly expended funds from the General Operating Account and/or Capitalized Operating Subsidy Reserve account, reimbursed itself for unauthorized costs from the General Operating Account and/or Capitalized Operating Subsidy Reserve, or improperly calculated the Management Fee and paid itself from the General Operating Account and/or Capitalized Operating Subsidy Reserve, Agent shall refund such monies including appropriate interest income losses to the General Operating Account and/or Capitalized Operating Subsidy Reserve within ten (10) days of demand from Owner. Agent shall refund all unexpended funds including appropriate interest income to the Owner within ten (10) days of demand from Owner.

**ELECTRONIC SIGNATURES** This Amendment may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Amendment. The parties shall be entitled to sign and transmit an electronic signature of this Amendment (whether by facsimile, PDF, or other email transmissions), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Amendment upon request.

**IN WITNESS WHEREOF**, San Bernardino County and the Contractor have each caused this Contract to be subscribed by its respective duly authorized officers, on its behalf.

SAN BERNARDINO COUNTY

►  
\_\_\_\_\_  
Dawn Rowe, Chair, Board of Supervisors

Dated: \_\_\_\_\_  
SIGNED AND CERTIFIED THAT A COPY OF THIS  
DOCUMENT HAS BEEN DELIVERED TO THE  
CHAIRMAN OF THE BOARD

Lynna Monell  
Clerk of the Board of Supervisors  
San Bernardino County

By \_\_\_\_\_  
Deputy

Quality Management Group, Inc.  
\_\_\_\_\_  
*(Print or type name of corporation, company, contractor, etc.)*

By ► \_\_\_\_\_  
*(Authorized signature - sign in blue ink)*

Name Josh LaBarge  
\_\_\_\_\_  
*(Print or type name of person signing contract)*

Title President  
\_\_\_\_\_  
*(Print or Type)*

Dated: \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

**FOR COUNTY USE ONLY**

Approved as to Legal Form	Reviewed for Contract Compliance	Reviewed/Approved by Department
► _____ Suzanne Bryant, Deputy County Counsel	► _____	► _____ Carrie Harmon, Director
Date _____	Date _____	Date _____