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Contract Number
21-132

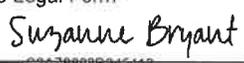
SAP Number

San Bernardino County Human Services

Department Contract Representative	<u>Tom Hernandez</u>
Telephone Number	<u>(909) 501-0611</u>
Contractor	<u>Quality Management Group, Inc.</u>
Contractor Representative	<u>Josh LaBarge</u>
Telephone Number	<u>(909) 931-9763</u>
Contract Term	<u>02/09/2021 to 02/09/2023</u>
Original Contract Amount	<u>\$0</u>
Amendment Amount	<u>N/A</u>
Total Contract Amount	<u>\$400,000 annually</u>
Cost Center	<u>7700003100</u>

Briefly describe the general nature of the contract: The California Department of Housing and Community Development (State) Homekey Program provides funding to rapidly sustain and expand the inventory of housing to individuals experiencing homelessness or at risk of homelessness and impacted by COVID-19. The County and LaBarge Industries Inc. are co-applicants on the Pacific Village Project submitted to the State for the Homekey Program grant funds. Quality Management Group, Inc. was included in the State Homekey Program application to provide property management services. The Property Management Agreement is required by the State to outline the roles and responsibilities of the property manager and the County for the Pacific Village Project. Pacific Village has a physical mailing address of 2626 Pacific Street, Highland, however is located within the city limits of the City of San Bernardino, and will provide interim/permanent housing for individuals and families who are at-risk of or experiencing homelessness that will include case management and supportive services for 28 individuals or households.

FOR COUNTY USE ONLY

Approved as to Legal Form by:  Suzanne Bryant, Deputy County Counsel February 4, 2021 Date _____	Reviewed for Contract Compliance _____ Date _____	Reviewed/Approved by Department _____ Date _____
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PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (the "Agreement") dated as of the 26th day of January, 2021 ("Effective Date"), between County of San Bernardino, a political subdivision of the State of California, hereafter referred to as "Owner", and Quality Management Group, Inc., a California corporation, hereafter referred to as "Agent", with respect to the following facts:

RECITALS

Whereas, Agent is engaged in the business of servicing, managing, renting and maintaining rental properties for the owners thereof.

Whereas, Owner desires to avail itself of the services of Agent, and Agent accepts the appointment and agrees to furnish the services of its organization for the operation and management of the Property (defined in Section 1.1 below), and Owner agrees to pay a fee for providing such services as further detailed in this Agreement.

ARTICLE 1.

Section 1.1 Description of Property.

The property to be managed by Agent under this Agreement is located at 2626 Pacific Street, Highland, CA, as more particularly described in Exhibit A (the "Property"). The portion of the Property that contains the twenty-eight (28) units ("Units") and the common areas associated with the Units, herein after referred as the "Residential Site", is depicted in the Site Map attached as Exhibit B. In addition, the Agent has agreed to provide property management services for the portion of the property that is currently vacant, herein after referred to as the "Vacant Site", is depicted on the Site Map attached as Exhibit B.

ARTICLE 2.

EMPLOYMENT OF AGENT: TERM

Section 2.1 Employment of Agent. Owner hereby employs Agent and Agent hereby accepts such employment to operate and manage the Property according to the terms and conditions of this Agreement.

Section 2.2 Term.

(a) Term. Except as may be otherwise provided in this Section, the initial term of this Agreement shall commence on the Effective Date and shall continue for a term of twenty-four (24) months (the "Term").

(b) Extension of Term. Unless earlier terminated by either Owner or Agent by delivery of written notice of termination at least sixty (60) days prior to the termination of the previous term, or by mutual written agreement, the Term of this Agreement may be extended for up to three (3) additional successive one (1) year extensions, subject to approval by the Board of Supervisors.

Section 2.3 Termination by Owner For Cause. Owner may terminate this Agreement effective immediately upon delivery of written notice to Agent: (a) in the event of an uncured Default (as defined in Section 8.1 below) by Agent; or (b) if Agent files proceedings in bankruptcy or an involuntary proceeding in bankruptcy is filed against Agent.

Section 2.4 Termination by Owner Without Cause. Owner may terminate this Agreement in its sole and absolute discretion and without cause upon sixty (60) days' prior written notice to Agent.

Section 2.5 Termination by Agent For Cause. Agent may terminate this Agreement effective immediately upon delivery of notice to Owner: (a) in the event of an uncured Default by Owner (as defined in Section 8.1 below).

Section 2.6 Obligations of Owner and Agent. The obligations of the Owner are described in Exhibit C-1 and incorporated into the Agreement by this reference. The obligations of the Agent with respect to the Residential Site are described in Exhibit C-2 and incorporated into the Agreement by this reference. The obligations of the Agent with regard to the Vacant Site are described in Exhibit C-3 and incorporated into the Agreement by this reference. Notwithstanding anything to the contrary in this Agreement or any of the exhibits attached hereto, any actions or activities not expressly included in the attached Exhibits shall be deemed to be outside of the scope of this Agreement.

Section 2.7 Continuing Obligations Upon Termination. Upon the termination of this Agreement by any means, the following obligations shall continue:

(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. 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 or the negligence of Agent, the remaining fee obligations of Owner to Agent shall be cancelled.

(b) Upon termination of this Agreement, the Owner will assume the obligation for all contracts entered into by the Agent on behalf of the Owner. At that time, Owner shall determine if contracted services will continue, be modified, and/or canceled.

(c) Responsibilities of Agent. Upon properly noticed termination, the Agent shall remain obligated to, as soon as practicable:

(1) Render to Owner a final accounting of income and expenses of the Property as provided in this Agreement.

(2) Deliver to Owner all funds from the Property in Agent's possession after allowable reimbursement of all expenses, deduction of check which have not yet been paid and payment of

all management fees which Agent is entitled to receive through the date of termination. Owner shall be responsible to pay bills previously incurred but not invoiced prior to termination of the Agreement.

(3) Deliver to Owner all keys, records, contracts, Program Participant Agreements (as defined in Section 4.1, below), receipts, unpaid bills and other documents relative to the Property and in Agent's possession at date of termination.

(4) Vacate the office/unit occupied by Agent on the Property within sixty (60) days of termination, remove all personal property owned by Agent, and leave the office/unit in good condition and repair.

(d) Execution of Documents. Agent and Owner will execute any other documents as may be reasonably necessary or required to effectuate the termination of this Agreement and transfer of management to Owner or to any other agent selected by Owner.

Section 2.8 Representations and Warranties. The parties' representations and warranties, and all Agreement provisions requiring payment of attorney's fees, indemnification, defense, reimbursement or pre-termination insurance, will survive termination of this Agreement.

ARTICLE 3. ACCOUNTS AND OPERATIONS

Section 3.1 Operating and Reserve Account. Agent shall establish a separate general operating account ("General Operating Account") and a separate replacement reserve account ("Replacement Reserve Account") for the Property. Any and all bank accounts, including the General Operating Account and Replacement Reserve Account, established under this Agreement shall be trust accounts in Owner's name but under Agent's management. Each account shall be created and maintained as a segregated interest-bearing account held by the Agent. During the Term, the Agent's designees shall be the only parties authorized to draw upon such accounts. No amounts deposited in any accounts established under this Agreement shall in any event be commingled with any other funds of Agent or any other party. All such accounts shall be opened at such bank(s), under such designation(s) and with such authorized signatures as Agent shall direct from time to time. All such accounts shall be insured by the Federal Deposit Insurance Corporation ("FDIC"). All interest earned on funds in the General Operating Account and Replacement Reserve Account shall be added to and become part of the General Operating Account and Replacement Reserve Account, respectively.

Section 3.2 Capitalization of General Operating Account.

(a) Owner will make an initial capital contribution to Agent of capitalized operating subsidy reserve funds to fund the General Operating Account in the approximate amount of Three Hundred Thousand Dollars (\$300,000). Agent shall deposit into the General Operating Account all future annually allocated funds provided by the County associated with extensions of the Term pursuant to Section 1.3.2. In addition, Agent shall deposit any and all income generated from program income, including but not limited to program participant contributions, into the General Operating Account.

(b) Owner will make an initial capital contribution to Agent of to fund the Replacement Reserve Account in the approximate amount of One Hundred Thousand Dollars (\$100,000). Agent shall

notify the Owner if the balance of the Replacement Reserve Account, Owner agrees to replenish the Replacement Reserve Account as soon as reasonably practicable.

(c) Owner will make an initial capital contribution to Agent of capitalized operating subsidy reserve funds to fund the Vacant Site General Operating Account in the approximate amount of Forty-Three Thousand Dollars (\$43,000). Agent shall deposit into the Vacant Site General Operating Account all future annually allocated funds provided by the County.

(d) The Agent's duties to perform the obligations set forth in Exhibit C-2 with regard to the Residential Site and Exhibit C-3 with regard to the Vacant Site, shall be limited to the extent that the County provides sufficient funds to conduct such activities on an annual basis.

Section 3.3 Use of Funds.

(a) Agent is hereby authorized to pay from the General Operating Account all operating expenses of the Property to the extent accounted for through the Annual Operating Budget ("Approved Operating Expense"). Agent shall obtain prior written approval of Owner for any expenditure exceeding \$5,000.00 in any one instance for labor, materials, or otherwise in connection with the maintenance and repair in excess of Approved Operating Expenses except for emergency repairs involving danger to persons or property unless item(s) or repair was included in the approved budget for capital improvement projects. In the event of emergency repairs, Agent will notify Owner within forty-eight (48) hours of doing so.

(b) Agent's compensation and all bills and payments related to the operation and management of the Property within the parameters of the Annual Operating Budget, defined below, will be disbursed from this General Operating Account pursuant to Section 4.2 below. If the balance in the General Operating Account is insufficient to pay an Approved Operating Expenses or an emergency expense due and payable, Agent will promptly inform Owner of that fact and Owner will then remit to Agent sufficient funds to cover the deficiency within forty-five (45) days or sooner if possible. Agent will not be required to use its own funds to pay these disbursements.

(c) All withdrawals from the Replacement Reserve Account shall be subject to prior written approval by the Owner. Agent shall prepare check requests and draw requests for authorization by the Owner not more frequently than one time each calendar month, on a date to be agreed to by both parties. The draw requests shall be in a form containing sufficient detail and with sufficient supporting documentation to permit the Owner to confirm that the work to be funded by the draw request is necessary.

Section 3.4 Contributions and Program Income.

To the extent permitted by law, the Agent shall use reasonable efforts to collect Program Participation Contributions, deposits, charges and other amounts receivable on Owner's account in connection with the management and operation of the Property. Such receipts shall be deposited in the General Operating Account. Manager shall act as a fiduciary of Owner as relates to such funds collected by Manager.

Section 3.5 Special Charges.

If permitted by applicable law, Agent will collect from each program participant any, or all, of the following if stipulated in each Program Participant Agreement: (a) an administrative charge for late

payment of Program Participation Contributions, as well as returned (NSF) checks; (b) monetary damages; (c) other fees (as appropriate).

Section 3.6 Security Deposits.

If permitted by applicable law, Agent shall collect, deposit, and disburse program participants' security deposits in accordance with the terms of each Program Participant Agreement. Agent shall hold security deposit liability in reserve to expedite disposition of program participant asset and to cover unit turnover expenses upon program participant move-out. Agent shall comply with all laws concerning security deposits. Agent hereby agrees to indemnify, defend and hold harmless Owner and their respective agents, successors and assigns from all claims, losses, damages, costs, expenses, demands, liabilities, obligations, liens, encumbrances and attorneys' fees and costs arising directly or indirectly out of Agent's failure to handle all tenant security deposits as required by all applicable laws, ordinances and regulations, including, without limitation, California Civil Code Section 1950.5. Agent shall maintain detailed records of all security deposits.

ARTICLE 4.
OPERATIONS AND EXPENSES

Section 4.1 Program Administration.

(a) Throughout the Term of this Agreement, Owner shall ensure the Residential Site is being used in a manner consistent with the Regulatory Agreement and Declaration of Restrictive Covenants recorded against the Property. The terms of the Regulatory Agreement and Declaration of Restrictive Covenants, as such may be amended from time to time, shall be incorporated herein as of the date the agreement is recorded and as of the date of any amendment thereto is recorded, as applicable. Owner shall be responsible to provide to Agent any amendments to the Regulatory Agreement and Declaration of Restrictive Covenants prior to such taking effect.

(b) Owner, through Coordinated Entry Service ("CES") the COVID Taskforce, or an alternative County referral process, will have the sole responsibility to identify eligible prospective program participants and the responsibility of implementing the initial program participant eligibility screening and shall refer such persons or households to Agent. Agent shall then: (1) coordinate with the case manager to process the prospective program participants documentation; (2) conduct a criminal background check and income verification; (3) consult and collaborate with the prospective program participants case manager to select a unit; (4) provide program participation orientation; (5) process and collect "Program Participant Agreement" from each approved program participant as a condition to reside in one of the Units (which shall be in a form agreed to by the Owner and Agent); and (6) provide ongoing site and property management services to program participants.

(c) Agent shall use reasonable and diligent efforts to keep the Property occupied by notifying Owner of potential vacancy by program participants. Agent is authorized to negotiate, prepare, and execute all Program Participant Agreements, including all renewals and extensions of Program Participant Agreements, and to cancel and modify existing Program Participant Agreements. Agent shall execute all Program Participant Agreements on behalf of Owner. All Program Participant Agreements shall be on a standard form Program Participant Agreement provided by Owner and agreed to by the Owner and the

Agent. Neither Party shall materially modify the approved form Program Participant Agreement without the prior written approval of the Other Party.

(d) If and to the extent there are units available and there are insufficient CES referrals to occupy all of the units, the Agent can advertise the Property if authorized by the Owner.

Section 4.2 Compliance with CES Program Requirements.

(a) Agent agrees to comply with the CES program requirements in processing applications and notifying applicants referred to Agent pursuant to Section 4.1 (where applicable). As of the Effective Date, the Owner has provided Agent all applicable CES Program Requirements and shall provide any updates thereto prior to occupancy of the first Unit and shall be responsible to periodically provide updates as necessary. If an application is rejected, the Agent will inform the applicant the reason for rejection and advise rejected applicants of their right to appeal. Rejected applications, with reasons for rejection noted thereon, will be kept on file for five (5) years. A current list of prospective program participants will be maintained by the County and provided to the Agent.

(b) Agent will encourage voluntary compliance with the terms including offering the services of local social service agencies and community organizations in cases of financial hardship to avoid involuntary termination of the Program Participant Agreement. However, Agent may terminate the Program Participant Agreement when Agent determines sufficient cause exists to terminate the Program Participant Agreement.

(c) If required under any program requirement, Agent will annually re-certify program participant's income pursuant to the applicable requirements and will maintain an annual report of compliance to be provided to Owner upon reasonable request and annually.

Section 4.3 Nondiscrimination and Accessibility.

(a) Agent agrees not to discriminate on the basis of any Federal protected class including race, color, religion, sex, national origin, familial status and handicap, nor on the basis of any class protected by California law such as disability, marital status, gender, gender identity, gender expression, genetic information, sexual orientation, age, ancestry, source of income, medical condition, citizenship, primary language, immigration status, or any other arbitrary basis.

(b) Accessibility Requirements. The Property will be operated at all times in compliance with all applicable federal, state, and local disabled persons accessibility requirements.

Section 4.4 Maintenance and Upkeep.

(a) At all times during the term of this Agreement, Agent shall take all such steps as are necessary to ensure that the Property is maintained in an attractive condition and good state of repair. The obligations of the Agent with regard to the Residential Site are described in **Exhibit C-2** and incorporated into the Agreement by this reference. The obligations of the Agent with regard to the Vacant Site are described in **Exhibit C-3** and incorporated into the Agreement by this reference.

(b) Agent is authorized to cause all of Property to be maintained on behalf of Owner in a decent and sanitary condition and in rentable and habitable state of repair, all in accordance with local

codes and in accordance with the terms and conditions set forth in the Agent and Owner Responsibilities in the attached **Exhibit C-1, C-2 and C-3**. Routine maintenance will be the responsibility and at the sole cost of Owner. Repairs and maintenance activities will include but not be limited to the performance of cleaning, painting, plastering, decorating, plumbing, carpentry, replacing broken glass, removing graffiti and rubbish, maintaining landscaping in healthy condition and other maintenance and repair work as may be necessary. At least once each six months during the term of this Agreement, Agent and Owner's Representative shall make a complete and thorough inspection of the Property at a time mutually agreed upon. Manager shall promptly call to the attention of Owner any condition of the Property which, in order to be rectified properly, would require some form of work of improvement, repair or restoration in or to the Property. Incident thereto, the following provisions apply:

(c) The obligations of the Owner are described in **Exhibit C-1** and incorporated into the Agreement by this reference. The obligations of the Agent with regard to the Residential Site are described in **Exhibit C-2** and incorporated into the Agreement by this reference. The obligations of the Agent with regard to the Vacant Site are described in **Exhibit C-3** and incorporated into the Agreement by this reference.

(d) Agent will, where possible, utilize regular maintenance personnel and/or contractors to establish a preventative maintenance schedule at the property which shall be updated annually.

(e) Agent will establish and enforce a system to promptly receive, investigate and take appropriate action where necessary in response to program participant service requests. Agent will keep records of the services. Emergency requests will be addressed on a 24-hour basis.

(f) Consistent with the above, Agent shall conduct semi-annual inspection of all units (with proper notice to program participants) and said requirements for semi-annual inspections will be included in Program Participant Agreements.

Section 4.5 Annual Operating Budget. All operating expenses of the property are the obligation of the Owner. Owner, in consultation with the Agent, will prepare an annual operating budget by March 1st of year of the Term ("Annual Operating Budget"). By January 15 of each year of the Term, the Agent shall provide Owner with recommendations for revisions to the previous year Annual Operating Budget, identifying operating expenses that need to be revised. Owner shall be solely responsible for approving the final Annual Operating Budget.

Section 4.6 Operating Expenses and Income

(a) From the funds held in the General Operating Account, Agent will disburse regularly and punctually all recurring operating expenses of the Property (if Agent receives invoices) and Agent's compensation in the amounts set forth in Section 7.1(a) for the Residential Site and Section 7.1(b) for the Vacant Site. Owner will retain responsibility for direct payment of any Property expenses not included in the Annual Operating Budget.

(b) Agent shall make arrangements in Owner's name for electric, gas, telephone, water and sewer, and such other services as may be necessary for the operation of the Property in accordance with the Annual Operating Budget. Agent will negotiate and execute such contracts on behalf of owner (subject to Owner's approval), indicate clearly that they are entered by Agent for Owner, and are the sole obligation of Owner. Any equipment and services pursuant to said contracts will survive the termination of this

Agreement and will remain the obligation of the Owner and may not be transferred to Agent. All payments will be made from the General Operating Account.

(c) California law requires Agent to remit to the California Franchise Tax Board 7% of taxable income collected by Agent for Owner unless an exemption applies. Owner authorizes Agent to remit these funds to the California Franchise Tax Board unless Owner provides proof to Agent that Owner is not subject to the withholding requirements. Proof may consist of an accurate, complete and signed FTB Form 590, a waiver letter issued by the FTB, or a reduced withholding letter issued by the FTB.

Section 4.7 Advancement of Funds. In the event the balance in the General Operating Account is at any time insufficient to pay disbursements due and payable as required under Section 2.3 above, Agent shall promptly notify Owner. In no event will Agent be required to use its own funds to pay such disbursements, nor shall Agent be required to advance any funds to Owner or to any of the accounts. Agent will not be required to use Agent's own funds for any purposes. Owner will be responsible for paying any late charges, penalties and/or interest imposed by lenders or others for failure to make payment to those parties, if the failure is due to insufficient funds in Agent's trust account available for payment and the Agent promptly notified the Owner of the insufficient level of funds.

Section 4.8 Reporting Requirements. Agent agrees to keep and maintain all necessary books and records relating to the leasing, management and operation of the Property for five (5) years. All books of account and other records reflecting Agent's operation of the Property shall be maintained in accordance with generally accepted accounting principles applied on a consistent basis. All books and correspondence and data pertaining to the leasing, management and operation of the Property shall, at all times, be safely preserved. Such books, correspondence and data shall be available to Owner at all reasonable times, and shall, upon the termination of this Agreement be delivered to Owner in their entirety and upon request of Owner be delivered to Owner within thirty (30) days of such request. Agent shall retain copies of all records as required by law. Agent shall maintain files of all original Program Participant Agreements and other contracts relating to the Property in an orderly fashion, which files shall be the property of Owner and shall at all times be open to Owner's inspection.

Section 4.9 Property Taxes. California Constitution Article 13, Section 3(b) expressly exempts property owned by a local government from property taxation. To the extent taxes are charged, Owner alone will determine whether to contest any taxes or assessments levied against the Property, and the contest will be at Owner's sole cost and expense. All tax assessment notices received by Agent will be promptly forwarded to Owner, who shall be solely responsible for such taxes or assessments.

Section 4.10 Prevailing Wage.

(a) To the extent required by law, in the rehabilitation of the Residential Site, Agent shall and shall cause all contractors and subcontractors to pay prevailing wages in performing any construction activities as may be required under federal Davis-Bacon Act (40 USC 3141-3148) and the labor compliance provisions to be provided by the Owner (if applicable), and pursuant to Labor Code Sections 1720 et seq. (the "Prevailing Wage Requirements"), and the implementing regulations of the Department of Industrial Relations (the "DIR"), to employ apprentices as required by Labor Code Sections 1777.5 et seq., and the implementing regulations of the DIR and comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., 1810-1815, and implementing regulations of the DIR.

(b) The Agent shall be responsible for ensuring a weekly certified payroll submitted through LCP Tracker is required during the term of rehabilitation of the improvements located on the Residential Site.

(c) Agent shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the Owner) the Owner, Owner, its governing board members, officers, representatives, agents, assigns and employees ("Owner Indemnitees") against any claim for damages against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Agent, its contractor and subcontractors) to pay prevailing wages as determined pursuant to California Labor Code Section 1720 et seq., to employ apprentices pursuant to California Labor Code Section 1777.5 et seq., and implementing regulations of the DIR or to comply with the other applicable provisions of California Labor Code Sections 1720 et seq., 1777.5 et seq., and the implementing regulations of the DIR in connection with the rehabilitation of the Residential Site or any other work undertaken or in connection with the Property under this Agreement. The requirements in this subsection survive the termination of this Agreement.

(d) Notwithstanding anything to the contrary, Agent shall have no responsibility to indemnify the Owner Indemnitees for any construction activities contracted by the Owner outside of the scope of this Agreement.

Section 4.11 Monthly Financial Statements. Agent shall prepare and render to Owner, by the 20th day of the following month, monthly financial statements prepared pursuant to generally accepted accounting principles or such other method as is acceptable to Owner in a format prescribed by Owner and any other financial related information as reasonably requested by Owner including:

(a) A report of income and expenses with a schedule of accounts receivable and payable, balance sheet, and reconciled bank statements for both Operating Account and Security Deposit Account as of last day of the prior month.

(b) A report itemizing all delinquent accounts, including program participant accounts, as of the last day of the prior month; and

(c) A report comparing the actual operating costs with budgeted amounts in Annual Operating Budget for the prior month and a year to date as of the last day of the month.

Section 4.12 Return of Improperly Expended Funds. If, based on Owner audit, it is determined that Agent has improperly expended funds from the General Operating Account, reimbursed itself for unauthorized costs from the General Operating Account, or improperly calculated the Management Fee and paid itself from the General Operating Account, Agent shall refund such monies including appropriate interest income losses to the General Operating Account within ten (10) days of demand from Owner.

ARTICLE 5. AGENT'S STATUS

Section 5.1 Agent's Status. The relationship of the parties to this Agreement shall be that of owner and agent and all duties to be performed by Agent under this Agreement shall be for and on behalf of Owner, in Owner's name, and for Owner's account. Agent shall at all times act as a fiduciary of Owner

in connection with its duties, responsibilities, and actions pursuant to this Agreement. In taking any action under this Agreement, Agent shall be acting only as Agent for Owner and nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship between the parties to this Agreement except that of Owner and Agent, or as requiring Agent to bear any portion of losses arising out of or connected with the ownership or operation of the Property. Nor shall Agent at any time during the term of this Agreement be considered a direct employee of Owner. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement except that Agent is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement. Owner agrees to cooperate with Agent by providing all books, property records and pertinent information at time Agent assumes management responsibilities of the Property. Agent shall perform its duties and obligations in a professional, competent, businesslike and efficient manner

Section 5.2 Agent Personnel and Expenses.

(a) All on-site or off-site personnel necessary for the management, maintenance, and operation of the Property shall be contracted service providers, or employees of Agent and not of Owner and shall be paid and managed by Agent.

(b) Employee Expenses. Wages, fringe benefits, local, state, and federal taxes and assessments (including but not limited to Social Security Taxes, unemployment insurance, workers' compensation insurance and employee benefits), incident to the employment of such personnel, shall be paid solely by the Agent.

(c) Reports and Filings. Agent shall execute and file in its own name and not in the name of Owner all payroll tax reports required under the applicable federal, state, and local laws, regulations, and/or ordinances governing employment, and all other statements and reports pertaining to labor employed in connection with the Property.

Section 5.3 Onsite Property Manager.

(a) At Owner's expense, Owner will provide to Agent an office on the Property to be used to manage and operate the Property. All staff and personnel for the on-site office will be employees of Agent. The on-site employee's salaries, benefits, expenses, and all expenses for supplies, equipment, utilities and telephone service related to operating the office will be a Property expense to be paid from General Operating Account. Employees who are needed only on a part-time basis in connection with the operation and maintenance of the Property, may also be used by Manager at other properties managed by Agent.

(b) At Owner's expense, Owner will provide a residence for use by the onsite management required to live on the Property.

Section 5.4 No other Program Agent. Owner shall not authorize any other person, firm, or corporation to act as a program agent for the term of this Agreement, unless the Agreement is terminated. Owner agrees to promptly forward all inquiries about Program Participant Agreements to Agent.

Section 5.5 Subcontracting by Agent. Notwithstanding Section 5.3, the Agent is authorized to contract with qualified independent contractors with proper licenses and/or certifications when necessary for general maintenance or repair of major mechanical systems. All contracts by Agent shall be subject to

County's procurement rules and regulations, which Owner has provided to Agent. Subject to reasonable costs, Agent may perform any of Agent's duties, and obtain necessary products and services, through affiliated companies or organizations in which Agent may own an interest. Agent shall disclose in writing to Owner any such relationships as they occur, and Agent shall not receive any commissions or profits from unaffiliated companies in performance of this agreement, without prior disclosure to Owner. Agent does not guarantee the inspections, services, products or repairs provided by others to the Property, even if recommended or referred by Agent.

ARTICLE 6.
INSURANCE REQUIREMENTS

Section 6.1 Property Insurance. Agent agrees and acknowledges that Property shall be subject to the self-insurance programs carried or administered by the County of San Bernardino.

(a) Agent's Insurance. With respect to its operations of the Property, Agent shall carry, (i) workers' compensation insurance for Agent's employees engaged in the performance of any work undertaken under this Agreement, including employer's liability and umbrella coverage with combined limits of not less than \$1,000,000, such policy must be in compliance with the statutory requirements of the state in which the Property is located, (ii) commercial general liability insurance and excess/umbrella liability insurance policies with combined limits of not less than \$2,000,000 per occurrence and in the aggregate; such policies shall be written on an occurrence basis, and include contractual liability and other provisions as Owner shall reasonably require, and (iii) a crime insurance policy covering employee dishonesty, forgery and alteration, theft disappearance and destruction, and robbery and safe burglary in an amount not less than \$500,000. All policies of insurance shall be maintained during the period of this Agreement. Each policy shall be endorsed to include the provision giving the Owner at least thirty (30) days' prior written notice of cancellation, non-renewal or material change of the policy. At Owner's request, Agent shall furnish Owner with copies of all such endorsements, and with certificates of insurance evidencing such policies and the renewals thereof.

(b) Additional Insurance. In addition, Agent shall carry employment practices liability insurance covering claims made by employees, and errors and omissions covering professional advices and services provided by Agent's employees.

ARTICLE 7.
COMPENSATION

Section 7.1 Agent's Compensation.

As compensation for the services provided by Agent under this Agreement (and exclusive of reimbursement of expenses to which Agent is entitled hereunder), Owner shall pay Agent as follows:

(a) Maintenance of Residential Site. Agent shall be paid a monthly property management fee of \$5,000 per month. The services that are included and covered by the monthly management fee for the Residential Site are outlined in Exhibit C-2. The monthly management fee shall commence on the Effective Date.

(b) Maintenance of Vacant Site. Agent shall be paid a monthly property management fee of \$3,750 per month for the maintenance of the Vacant Site. The services that are included and covered by the normal monthly management fee are outlined in Exhibit C-3. The monthly management fee shall commence on the Effective Date.

Section 7.2 Additional Services.

(a) In the event that the Owner shall request the Agent to undertake work exceeding the services described in Exhibit C-2 or Exhibit C-3, an additional fee may be charged by the Agent for such services. If a fee will be charged by Agent for such services, the \$85 hourly rate or percentage will be disclosed in writing to the Owner prior to any services being performed. Additional services are not covered by this Agreement and will be subject to a separate agreement.

(b) Upon request by Owner, Agent will provide a rate sheet for additional services. Where no price for a particular service is listed on the rate sheet, and to provide an equitable basis for compensation to the Agent for additional services, the Agent may apply a market rate hourly charged for all applicable services. This fee will be deemed to be adequate to compensate the Agent for the additional staff time, effort, and any other additional costs that may be incurred by the Agent to monitor the service.

Section 7.3 Contracting with Affiliates. Agent may perform any of Agent's duties, and obtain necessary products and services, through affiliated companies or organizations in which Agent may own an interest. Agent may receive fees, commissions, and/or profits from these affiliated companies or organizations. Agent has an ownership interest in the following affiliated companies or organizations: PC Maintenance. Agent will disclose in writing to Owner any other affiliate or unaffiliate relationships as they occur. Agent will not receive any fees, commissions or profits from unaffiliated companies or organizations in performing this Agreement, without prior disclosure to Owner.

ARTICLE 8.
DEFAULTS AND REMEDIES

Section 8.1 Defaults. A "Default" shall mean a breach by either party of its material obligations under this Agreement not cured within thirty (30) days following receipt of written notice by the defaulting party from the other party specifying in detail the nature of such default and the steps required to cure same, provided, however that if such Default is not reasonably susceptible of cure within such thirty (30) day period, such cure period shall be extended for a reasonable period of time to cure the default (not to exceed sixty (60) days), so long as the defaulting party has commenced good faith diligent efforts to cure such Default within such initial thirty (30) day period and is thereafter diligently pursuing such cure to completion. In the event of an uncured Default by Agent, Owner shall have the right to terminate this Agreement for cause and/or pursue any right or remedy at law or in equity, including specific performance. In the event of an uncured Default by Owner, Agent shall have the right to terminate this Agreement for cause and/or pursue any right or remedy at law or in equity, including specific performance.

ARTICLE 9.
MISCELLANEOUS

Section 9.1 Covenants and Conditions. All of the terms and conditions of this Agreement are expressly intended to be construed as covenants as well as conditions. Any default in the performance of

any duty or obligation herein contained shall be deemed to be a material breach of obligation and shall give rise to any and all of the remedies herein provided.

Section 9.2 Indemnifications.

(a) Agent will indemnify, protect, defend and hold harmless the Owner and its elected officials, officers, employees and agents in their official capacity (hereinafter collectively referred to as "Owner Indemnitees"), from and against any and all claims, demands, liabilities, insurance deductibles, losses, costs, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) arising out of or resulting from any breach or default by Agent under the terms of this Agreement, and shall protect and defend Owner Indemnitees, and any of them with respect thereto, except to the extent caused by the gross negligence or willful misconduct of the Owner or any Owner Indemnitees. Nothing in this Agreement shall require the Agent to indemnify the Owner Indemnitees for any actions or activities outside of the scope of this Agreement.

(b) Owner will indemnify, protect, defend and hold harmless the Agent and its officers and employees (hereinafter collectively referred to as "Agent Indemnitees") from and against any and all claims, demands, liabilities, insurance deductibles, losses, costs, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) arising out of or resulting from any breach or default by Owner under the terms of this Agreement and those arising out of or resulting from activities of the Owner on the Property outside the scope of this Agreement; and Owner shall protect and defend Agent Indemnitees, and any of them with respect thereto, except to the extent caused by the gross negligence or willful misconduct of the Agent or any Agent Indemnitees. Nothing in this Agreement shall require the owner to indemnify the Agent Indemnitees for any actions or activities of the Agent Indemnitees outside of the scope of this Agreement.

(c) The provisions of this section shall survive expiration or other termination of this Agreement and the provisions of this section shall remain in full force and effect.

Section 9.3 Force Majeure. The time period(s) specified herein for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of Agent, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, pandemics, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including Owner, if Agent shall within ten (10) days of the commencement of such delay notify Owner in writing of the causes of the delay. Owner shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of Owner such delay is justified. Owner's determination shall be final and conclusive upon the parties to this Agreement.

Section 9.4 Complete Agreement. This Agreement, including all exhibits attached hereto, constitutes the entire Agreement between Owner and Agent with respect to the management and operation of the Property and supersedes and replaces any and all previous agreements entered into and/or negotiated between Owner and Agent relating to the Property. Any and all amendments, additions, or deletions to this Agreement shall be approved by Owner and Agent in writing. Owner and Agent hereby acknowledge and agree that, other than as expressly set forth in this Agreement, neither Owner nor Agent has made any warranties, representations, covenants, or agreements, express or implied, concerning the Property or the

subject matter of this Agreement. Neither party, in entering into and executing this Agreement, has relied upon any warranties, representations, covenants, or agreements, express or implied, other than those expressly set forth herein. Time is of the essence of this Agreement. The waiver by any party of a breach of any provision of this Agreement will not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or another provision of this Agreement.

Section 9.5 Enforceability. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portion thereof. Owner's and Agent's remedies under this Agreement are cumulative, and the exercise of one remedy shall not be deemed an election of remedies nor foreclose the exercise of Owner's other remedies. No waiver by Owner of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach.

Section 9.6 Governing Law and Venue. The law of the state of California shall govern the interpretation and enforcement of this Agreement. The parties agree that the venue of any action or claim brought by any party to this Agreement will be the Superior Court of California, County of San Bernardino, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this Agreement is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, County of San Bernardino, San Bernardino District.

Section 9.7 Headings. The headings used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or the intent of this Agreement.

Section 9.8 Notices. Any, notices, demands, consents, and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as Owner and Agent individually may specify hereafter in writing:

AGENT: Quality Management Group
 3105 East Guasti Road, Suite 100
 Ontario, CA 91761
 Attn: Tim Johnson

OWNER: Human Services Administration
 County of San Bernardino
 150 South Lena Road
 San Bernardino, CA 92415-0515
 Attn: Allen Simmons

Such notice or other communication may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or a depository for the receipt of mail regularly maintained by the post office. Such notices, demands, consents, and reports may also be delivered by hand or by any other receipted method or means permitted by law. For the purpose of this Agreement, notices shall be deemed to have been "given" or "delivered" upon

personal delivery thereof or forty-eight (48) hours after having been deposited in the United States mail service as provided herein.

Section 9.9 Approvals. Notwithstanding anything herein to the contrary, whenever in this Agreement the consent, approval, authorization, certification or any other similar action (collectively, "**Approval**") of any party to this Agreement is required, Approval will not be unreasonably withheld, delayed or conditioned.

Section 9.10 Successors and Assigns. Neither Owner nor Manager shall assign this Agreement or any interest herein or delegate any of its duties hereunder without the prior written consent of the other party. Subject to the foregoing restrictions, this Agreement shall inure to the benefit of and constitute a binding obligation upon Owner and Agent and their respective successors and assigns.

Section 9.11 Attorneys' Fees. In any action between Owner and Agent seeking enforcement of any of the terms and provisions of this Agreement, or in connection with the Property, the prevailing party in such action shall be awarded its costs and expenses, including reasonable attorney's fees, incurred in connection with such litigation or action.

Section 9.12 Severability. Should any Article or any part of an Article within this Agreement be rendered void, invalid or unenforceable by any court of law, for any reason, such shall not void or render invalid or unenforceable any other Article or part of an Article in this Agreement.

Section 9.13 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

Section 9.14 Incorporation of Recitals and Exhibits. The Recitals set forth above, and Exhibits A through C are incorporated into this Agreement by reference as though fully set forth herein.

Section 9.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, with the same effect as if all parties hereto had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages. The signature of any party to this Agreement transmitted to any other party by electronic signature software or service, facsimile or e-mail (.PDF copy) shall be deemed an original signature of the transmitting party for any and all purposes.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures:

OWNER:

County of San Bernardino, a political subdivision of the State of California

By: Curt Hagman
Curt Hagman, Chair
Board of Supervisors

Date: FEB 09 2021

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
Of the County of San Bernardino

By: Lynna Monell
Deputy


APPROVED AS TO FORM:

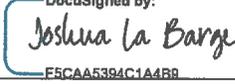
Michelle D. Blakemore,
County Counsel

By: Suzanne Bryant February 4, 2021
C2A78860B945419
Suzanne Bryant, Deputy County Counsel

[Signature Page Continues]

AGENT:

Quality Management Group, a California corporation

By: 
Joshua LaBarge, President

Date: February 5, 2021

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

EXHIBIT B

SITE MAP

(Included)

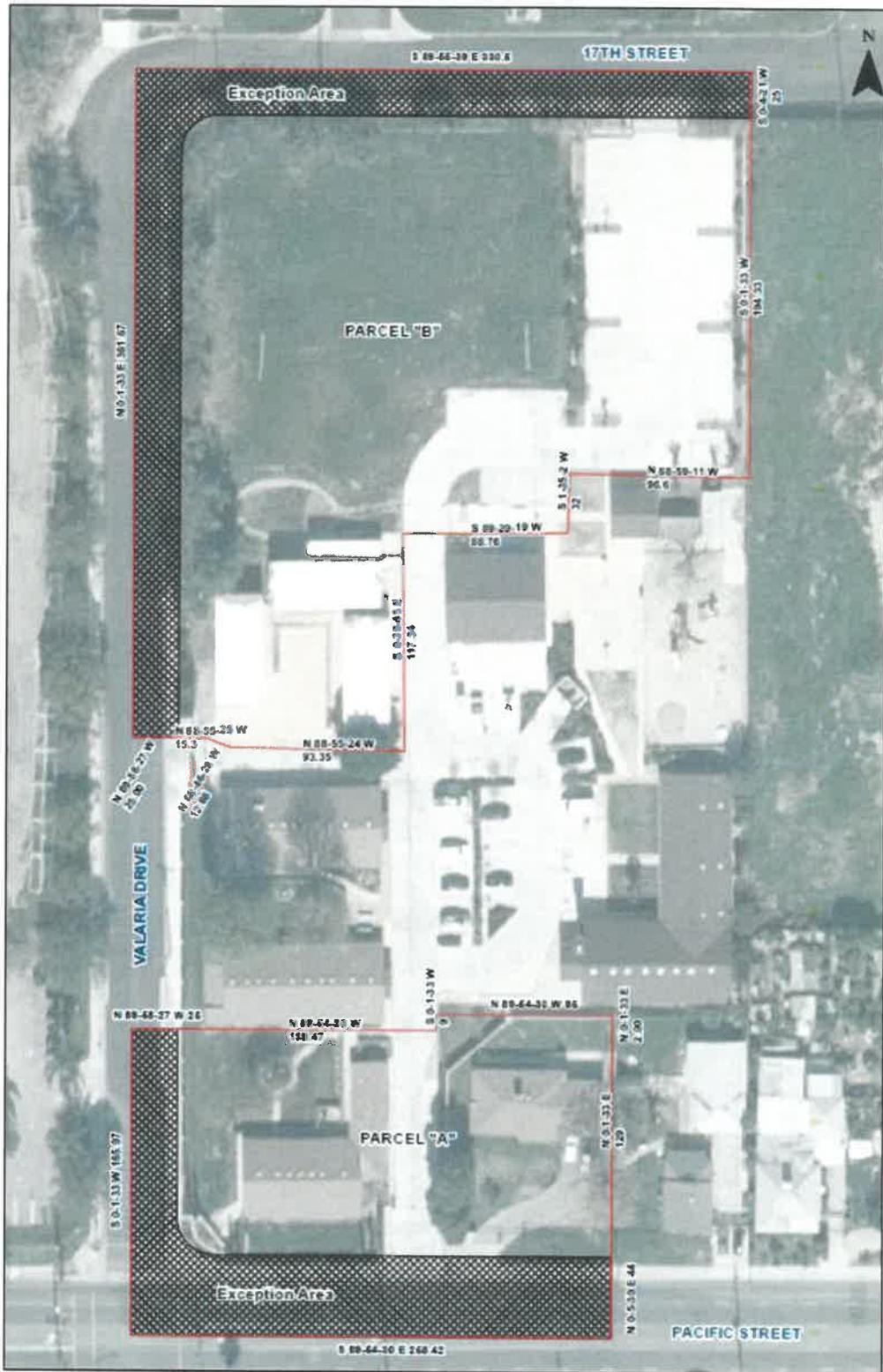


EXHIBIT C

AGENT AND OWNER RESPONSIBILITIES,
SUPPORTIVE SERVICE PLAN AND PARTICIPATION SELECTION PLAN

(See Attached)

EXHIBIT C-1

OWNER RESPONSIBILITIES,

(See Attached)

EXHIBIT C-2

AGENT RESPONSIBILITIES
RESIDENTIAL SITE

(See Attached)

EXHIBIT C-3

AGENT RESPONSIBILITIES
VACANT SITE

(See Attached)

EXHIBIT C

OWNER AND AGENT RESPONSIBILITIES

The obligations of the Owner are described in Exhibit C-1. The obligations of the Agent with respect to the Residential Site are described in Exhibit C-2. The obligations of the Agent with regards to the Vacant Site are described in Exhibit C-3.

The following shall constitute collective obligations and responsibilities of the Parties and shall apply for the entire Term:

- Regular Meetings. [Monthly/Quarterly?] Regular meetings (in person and/or by phone) will be held between the Owner and the Agent to discuss the operations of the Property. The Owner and Agent agree they will establish mutually satisfactory methods for the exchange of information as may be necessary in order that each party may perform its duties and functions under this agreement, and appropriate procedures to ensure all information is safeguarded from improper disclosure in accordance with applicable State and Federal laws and regulations.
- Review of Management Responsibilities. Agent and Owner shall review the Management Plan, and the obligations required under this Exhibit C, on an annual basis with the intent of updating any provisions which are lacking, if necessary.
- Adherence to Evidence-Based Approaches. Agent and Owner shall, to the maximum extent possible, adhere to the three evidence-based approaches to provide housing and supportive services to program participants including emphasis on housing first principles, harm reduction, and motivational interviewing. Agent and Owner will work to develop materials to implement the evidence-based approaches. The Owner and Agent agree they will collaborate in providing In-Service Trainings.
- Operating Policies. The Owner and Agent shall work together to establish general operating policies for the Residential Site. It shall be the responsibility of the Agent, based upon previous experience and knowledge, to recommend and advise the Owner regarding such policies consistent with the Program Participant Agreement (which shall be in a form approved by the Owner and Agent).
- Forms and Documentation. The Owner and Agent agree to develop and implement procedures, surveys, and forms necessary to administer and document program referral, participation, compliance, and effectiveness.
- Problem Resolution. The Owner and Agent agree they will establish mutually satisfactory methods for problem resolution at the lowest possible level as the optimum, with a procedure to mobilize problem resolution up through the County and Agent's mutual chain of command, as deemed necessary.
- Compliance Monitoring. The Owner and Agent agree to collaborate on Data Collection and Performance Outcome. The Owner shall comply with all local, State, and Federal

regulations regarding local, State, and Federal Performance Outcomes measurement requirements and participate in the outcome measurement process, as required by the State and/or the County. The Owner and Agent provider shall work together to resolve any data quality concerns to the best of their ability prior to submission of the data.

OWNER
Supportive Service plan
For Pacific Village

The County envisions utilizing in-kind funding sources to provide supportive services to the residents of Pacific Village. A contract provider may be engaged for property management services; however, the County will first seek to maximize existing resources to provide the necessary operational oversight and management of a housing campus designed to accommodate a minimum of 28 adults and families initially. The campus will be an eclectic combination of housing options, creating a village of individuals residing in a supportive community environment. Pacific Village will provide residents with scheduled onsite connections to sustained income sources, nutritious meals, health care services, and scheduled groups and activities to foster community engagement, personal growth, and individual health. Pacific Village will provide a healthy, safe and stable environment to meet the residents' economic, physical and psychological needs.

Lead Services Provider Experience (DBH)

The County of San Bernardino Department of Behavioral Health (DBH) has over ten years of experience providing Supportive Services to tenants housed in Permanent Supportive Housing (P.S.H.). Since 2008, DBH has had a Memorandum of Understanding (M.O.U.) with the Housing Authority of San Bernardino County. DBH is a supportive service provider for the Department of Housing and Urban Development (H.U.D.) Continuum of Care (CoC) Rental Assistance Grants to assist hard to serve homeless individuals with disabilities and their families into community-based housing. DBH provides Supportive Services to tenants and their families in Tenant-Based Rental Assistance and Project-Based Rental Assistance Housing.

In 2014, DBH began providing Supportive Services to formerly homeless tenants housed in the Mental Health Services Act (M.H.S.A.) housing projects developed through the CalHFA (California Housing Finance Agency) M.H.S.A. housing program.

Below is a sample list of current DBH-MHSA housing projects and the year service provision began in that Project:

Year 2014: Magnolia@ 9th: 10 housing units
Year 2014: Mountain Breeze Villas: 20 housing unit
Year 2015: Siena Fontana: 15 housing units
Year 2015: Bloomington Project: 11 housing units
Year 2015: Horizons at Yucaipa: 10 housing units

Year 2016: Phoenix Apartments: 9 housing units Year 2016: Vintage at Kendall: 20 housing units

On and Off-Site Staffing. DBH will provide various on- and offsite Wellness and Self-Care services to educate and support individuals residing on-campus, including onsite groups and activities, mental health services, and mobile medical screenings. Onsite recreational and social programming will be available for residents to further foster the community atmosphere and whole-person wellness. Supportive services staffing in P.S.H. will vary depending on the acuity of the target population.

Each resident will work closely with a Case Manager and an interdisciplinary team to identify and resolve economic and housing barriers, obtain necessary legal documents (e.g., identification, social security card), verifications and obtain appropriate benefits. Services will include behavioral and physical health assessments and successful linkages to County and community resources. Participating agencies and departments will include, but is not limited to:

- Arrowhead Regional Medical Center (A.R.M.C.)
- Department of Aging and Adult Services-Public Guardian (DAAS-PG)
- Department of Behavioral Health (DBH)
- Department of Child Support Services (D.C.S.S.)
- Department of Children and Family Services (C.F.S.)
- Department of Public Health (D.P.H.)
- Housing Authority of the County of San Bernardino (H.A.C.S.B.)
- Law Offices of the Public Defender
- Preschool Services Department (PSD)
- San Bernardino County District Attorney's Office (DA)
- San Bernardino County Homeless Partnership (S.B.C.H.P.)
- San Bernardino County Office of Homeless Services (O.H.S.)
- San Bernardino County Probation Department
- San Bernardino County Veterans Affairs (V.A.)
- Sheriff Homeless Outreach and Proactive Enforcement (H.O.P.E.)
- Transitional Assistance Department (T.A.D.)
- Workforce Development Department (WOO)

Services Provided: DBH will provide Intensive Case Management (I.C.M.) services to include behavioral health services, Substance Use Disorders Recovery Services, linkage, consultation and assistance navigating appropriate resources and services in the community. Onsite services will include crisis intervention and counseling that focus on self-care, whole-person wellness and restoration of community functioning. Residents will be given the tools and resources to successfully re-integrate into the community setting, and ultimately improve quality of life. Onsite services will include psychoeducation related to health and mental illness and development and improvement of basic inter- and intra- personal communication skills, such as listening, speaking, and non-verbal communication.

Clinical Therapists will also be available onsite to assist participants who seek individual therapy.

DBH will provide care coordination with Arrowhead Regional Medical Center and The Department of Public Health to access medical screenings, vaccinations and health and nutrition education in individual and group settings. Additional offsite health services are readily accessible from the Pacific Village campus. The County's nearest Primary care Clinic, Behavioral Health Crisis Stabilization Unit and outpatient clinic are within three miles of the campus, the nearest full-service community hospital is within seven miles, the County hospital is within 12- miles. Transportation to off- site behavioral and physical health services will be provided on an as-needed basis. The County has a strong collaborative relationship with local health plans and providers, who will also be invited to engage and participate in onsite whole-person health programs and assistance with providing necessary medical devices.

Residents will also be provided with assistance in securing steady income through appropriate benefit sources and/or vocational rehabilitation services to help individuals prepare for, secure, regain or retain employment. Eligible older adults will be provided onsite linkage and connection to the Department of Adult and Aging Service programs, including Senior Employment and Information and Assistance programs. Participants will receive support and education in pre-vocational skills, linkage for volunteer opportunities and the tools necessary to reduce and remove barriers to employment. Through process groups, individuals will gain soft and hard skills required to obtain and retain employment or volunteer opportunities, which provide additional support for community re-integration. Topics include, but are not limited to, resume building, mock interviews, interview attire, appropriate grooming and hygiene, resume writing, applications and job search skills. The Transitional Assistance Department will provide on and offsite services including applications and re-certifications for benefits including CalWORKs, CalFresh, and Medi-Cal programs. Residents will further receive assistance in securing benefits, including retirement and disability benefits from their Case Manager, who will facilitate transportation to offsite appointments, provide assistance in completing applications and obtaining necessary documentation.

Services Detail. DBH is responsible for providing mental health and/or substance use disorder services to County residents who are experiencing major mental illness and/or substance use disorders. Supportive Services staff will provide 24-hour support to tenants. Afterhours support will be via telephone with the possibility of responding onsite when needed.

To ensure accessibility to services the following services will be provided both on and off site in person or with Telehealth.

Mental Health Service Activities

Mental health services are interventions designed to provide the maximum reduction of mental disability and restoration or maintenance of functioning consistent with the requirements for learning, development, independent living and enhanced self-sufficiency. Services shall be directed toward achieving the consumer's goals/desired result/personal milestones.

- **Assessment** – (On or Off-site in person or with Telehealth) A clinical analysis of the history and current status of the consumer's mental, emotional, or behavioral disorder. Relevant cultural issues and history may be included where appropriate. Assessment may include diagnosis and the use of testing procedures.
- **Case Management** – (On-Site and by phone) Activities provided by program staff to access and monitor medical, educational, social, prevocational, rehabilitative, or other needed community services for eligible consumers.
- **Crisis Intervention** – (On or Off-site in person or by Telephone) A rapid emergency response service enabling the consumer to cope with a crisis, while maintaining his/her status as a functioning community member to the greatest extent possible. A crisis is an unplanned event that results in the consumer's need for immediate service intervention.
- **Medication Support Services** – (On or Off-site with Telehealth) Prescribing, administering, dispensing and/or monitoring of psychiatric medications or biologicals necessary to alleviate the symptoms of mental illness provided in clinical setting.
- **Therapy** – (On or Off-site in person or with Telehealth) May be delivered individually or in a group setting and can include family therapy (when the consumer is present). Therapeutic interventions are consistent with the consumer's goals/desired results and may focus on symptom reduction as a means to improve functional impairments.
- **Rehabilitation** – (On-site or Offsite groups) A service activity that may include any or all of the following:
 - Assistance in restoring or maintaining a consumer's or group of consumer's functional skills, daily living skills, social skills, grooming, personal hygiene skills, meal preparation skills, medication compliance, and support resources.
 - Counseling of the consumer and/or family.
 - Training in leisure activities needed to achieve the consumer's goals/desired results/personal milestones.

Substance Use Disorder and Recovery Services (S.U.D.R.S.)

S.U.D.R.S. provides a full range of substance use disorder treatment services for San Bernardino County communities and residents. Services are available to all County residents regardless of race, religion, gender, sexual orientation, or disability including chronic illness or H.I.V.

Substance Use Disorder and Recovery Services are offered onsite, or offsite and include:

- **Residential Services** – (Off-Site) Substance Use Disorder services provided in a home-like setting, offering treatment services such as, group counseling, individual counseling, and alcohol and drug education.
- **Intensive Outpatient Treatment** – (Off or On Site) Designed to achieve progressive changes in an individual's thinking and substance misusing behavior in order to prevent relapse. Treatment is from 6 to 9 months for a minimum of 9 hours with a maximum of 19 hours a week, for a minimum of 3 hours per day, 3 days per week. Individuals participate with providers in the treatment plan process, participate in individual and group counselling services, receive education on the effects of substance use and equip participants with tools to promote a healthy lifestyle.
- **Outpatient Services** – (Off or On-site) Designed to achieve progressive changes in an individual's thinking and substance misusing behavior in order to prevent relapse.

Treatment is from 4 to 6 months. During treatment individuals participate with providers in the treatment plan process, participate in individual and group counseling services, receive education on the effects of substance use and equip participants with tools to promote a healthy lifestyle.

- *Withdrawal Management (Detox)* – (Off and On-Site) Withdrawal management services stabilize withdrawal symptoms so individuals can begin the recovery process. Both non-medical and medication assisted services are available. Individualized short-term treatment plans, individual counseling sessions, access to community 12-step panels, discharge planning and additional referrals are offered.
- *Medication Assisted Treatment Services* – (Off and On-Site) Use of prescription medications, in combination with counseling and behavioral therapist, to provide a whole-person approach to the treatment of specific substance use disorders.
- *Community-Based Recovery Center/Aftercare* – (Offsite) Recovery centers provide support in the recovery efforts of individuals by providing a drug and alcohol free sober living social environment and other recovery resources. Treatment and other clinical services are not provided through the Recovery Centers. Classes are also offered through the Recovery Centers, such as smoking cessation, anger management, parenting and more.

On-Site Services -Case Management:

- Completing a comprehensive health risk assessment to identify and prioritize physical, mental health, substance use, palliative, and social service needs
- Developing an Individual Services and Support Plan (I.S.S.P.) that integrates community social supports, long term support services, mental health, substance use disorder services, palliative care, and housing services.
- Supporting Tenant's in their interactions with other service providers
- Coordinating and collaborating with all providers to promote continuity and consistency of care
- Clarifying roles and responsibilities of the multi-disciplinary team, providers, and Tenant and family/support persons for better outcomes.
- Assisting with Tenant's activities of daily living and linking them to other providers to improve their independent living skills
- Assisting in obtaining requested reasonable accommodations

Peer Support:

DBH Clubhouse Program (Off-Site service)

DBH operates nine peer-directed Clubhouses in nine locations throughout the County. Clubhouses are Peer Support Centers for people with lived mental health experience ages 18 and over. Peers are responsible for the overall direction and operations of the clubhouse with minimal staff oversight. Tenants run various workgroups such as clerical, nutrition/cooking classes and maintenance units. The Clubhouses also have numerous support groups and social activities that involve peers helping peers in their recovery. The main objectives of the Clubhouse Program include assisting Tenant in making their own choices, reintegrating into the

community as a contributing member, and achieving a satisfying and fulfilling life. The Clubhouse location is listed below:

TEAM House
201 W. Mill Street
San Bernardino, CA 92408

DBH Family Resource Centers (Off-Site)

The Family Resource Centers offer various programs that are tailored to be culturally and linguistically competent and meet the identified needs of the communities they serve. This Program serves all ages and includes the following: personal development activities, parent/caregiver support and education; behavioral health education workshops, after school programs for children/youth/transitional age youth, health education workshops, adult skill-based education (e.g. education and employment assistance), community counseling, and individual counseling. The Family Resource center is located at:

Valley Star Behavioral Health, Inc.
1585 W. D Street, Suite 101
San Bernardino, CA 92408

Benefits Advocacy:

DBH will provide assistance with accessing and linking tenants to Medi-Cal enrollment, and enrollment in other benefits the Tenant may be eligible for.

Supportive Services staff will work with the San Bernardino County Transitional Assistance Department benefits eligibility workers to assist in accessing Medi-Cal. Once accessed, the case manager will assist the Tenant in accessing services.

DBH case managers will use the SOAR model to assist tenants in accessing SSI/SSDI. Tenants will be linked to qualified professionals that are able to complete the S.S.I. application. Additional assistance will be offered for any follow up or reporting requirements. For those tenants that receive a denial for their application, they will be linked to an S.S.I. advocate that will assist the Tenant through the appeal process.

Housing Retention:

Supportive Services that focus on housing and tenancy supports include:

- Providing early identification and intervention for behaviors that may jeopardize housing, such as late rental payment and other lease violations;
- Education and training on the roles, rights and responsibilities of the Tenant and landlord;
- Coaching on developing and maintaining key relationships with landlords/property managers with a goal of fostering successful tenancy;
- Assistance in resolving disputes with landlords and/or neighbors to reduce risk of eviction or other adverse action;
- Advocacy and linkage with community resources to prevent eviction when housing is, or may potentially become, jeopardized;
- Assistance with the housing recertification process;

- Coordinating with the Tenant on a regular basis to reflect current needs and address existing or recurring housing retention barriers; and
- Continuing training in being a good tenant and lease compliance, including ongoing support with activities related to household management.
- Assisting with residents' daily living activities and linking them to other supportive services and physical health care services in order to continue to improve their independent living skills
- Working to promote lease compliance and successful tenancy
- Offering assistance to tenants in requesting and obtaining a reasonable accommodation during the tenancy
- Working with eligible households in imminent danger of being evicted to avoid finalization of the eviction process through voluntary departure

Social/Recreational Activities: DBH will encourage tenants to include recreational and social activities within their Individual Service and Supports Plan (I.S.S.P.). Examples include:

- Identifying the client's community and social support needs
- Providing tenants with information on local recreational and social activities, e.g., senior centers, park and recreation classes.
- Assisting tenants in developing and coordinating onsite recreation and social opportunities
- Provide occasional outings and other recreation pursuits
- Assisting the tenants with transportation needs when necessary
- Linkages to education opportunities both online and offsite
- Identifying resources and eligibility criteria for school and education
- Identifying tutoring resources
- Assisting tenants with transportation needs when necessary

Housing Stability

Housing stability is an essential component to permanently housing formerly homeless tenants. DBH housing navigators will work with the Coordinated Entry System and the Housing Authority to identify referrals for vacant units. DBH will provide the housing navigation supports to move the potential Tenant through all processes needed to qualify them for housing. This includes:

- Locating and assessing those referred to the housing project
- Helping potential tenants to acquire paperwork and documents needed for housing
- Submitting completed applications to Housing Authority
- Arranging for and accompany the potential tenants through the housing process up through the Housing Authority Voucher Briefing process

Supportive Services staff will become responsible for any additional housing navigation activities once the client completes the voucher briefing with the Housing Authority. These tasks include:

- Assisting tenants with move-in
- Acquiring basic necessities
- Arranging for utility deposits

- Advocating with property management and other service providers
- Ongoing communication with Housing Authority
- Planning for and addressing any barriers to housing stability.

Communication among supportive service staff, property managers, and tenants will happen at the monthly team meetings and as often as needed. The team is responsible for coordinating and collaborating with all involved parties to promote continuity and consistency of care; and developing plans and interventions that are suited to the individual Tenant's situation. DBH will provide reasonable accommodation letters as needed.

DBH and property management will meet monthly to review all tenants and determine barriers and solutions for all issues that threaten housing stability. In addition, property management will alert DBH via written communication of any imminent issues or things that may lead toward tenant eviction.

Tenant Outreach and Engagement and Strategies

Tenant outreach, engagement and retention strategies will all take place onsite. Supportive Services staff will work on engaging with tenants at the earliest stage of the housing process. Housing navigation staff will alert Supportive Services staff once they have determined eligibility. This time before the Tenant is housed is one of the best times to provide outreach and begin engagement. The time of developing rapport may open doors in the future to engage in services and activities onsite.

Tenant Outreach activities include:

- Door knocking
- Leafletting
- Peer contacts
- Recreational/social mixers
- Town Hall meetings

Tenant Engagement activities include:

- Peer developed social and educational programs
- Onsite activities facilitated by peers, property management and supportive services staff
- Holiday celebrations
- Field trips
- Cooking classes

Tenant Retention strategies include:

- Providing early intervention for behaviors that may jeopardize housing;
- Education and training on roles, rights, and responsibilities of tenants and landlords;
- Coaching on developing and maintaining key relationships with landlords/property managers with a goal of fostering successful tenancy;
- Assistance in resolving disputes with landlords and/or neighbors;
- Advocacy and linkage with community resources to prevent eviction;

Coaching on being a good tenant and lease compliance, including ongoing support with activities related to household management.

Availability of Services

Supportive Services will have provider-to-tenant ratio of 1:20 and provide Monday-Friday from 9 am to 5 pm. Crisis and urgent services are offered by DBH 24 hours a day, seven (7) days a week.

In Conclusion.

The County of San Bernardino will follow the California Housing First policy, to provide flexible services that facilitate Permanent housing access and housing stability as quickly as possible for individuals experiencing Homelessness. The County of San Bernardino service delivery model is consistent with the core components of "Housing First," as defined in the Welfare and Institutions Code Section 8255(b). Housing is offered without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements. Supportive services will be offered to maximize housing stability and prevent returns to Homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry. Supportive services are provided by DBH through direct County services or by a contracted provider. The level of service provided on and offsite will depend upon the Tenant's level of functioning, needs, and choices. Housing First is a homeless assistance approach that prioritizes providing permanent housing to people experiencing Homelessness, thus ending their Homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life. This approach is guided by the belief that people need basic necessities like food and a place to live before attending to anything less critical, such as getting a job, budgeting properly, or attending to substance use issues.

PARTICIPATION SELECTION PLAN: PACIFIC VILLAGE

BACKGROUND

The County envisions utilizing in-kind funding sources to provide supportive services to the residents of Pacific Village. Quality Management Group will be the property management agent for this project to provide the necessary operational oversight and management of a housing campus designed to accommodate a minimum of 28 adults and families initially. The campus will be an eclectic combination of housing options, creating a village of individuals residing in a supportive community environment. Pacific Village will provide residents with on-site connections to sustained income sources, health care services, and skills groups and activities to foster community engagement, personal growth, and individual wellness. Pacific Village will provide a healthy, safe, and stable environment to meet the residents' economic, physical, and psychological needs.

SELECTION CRITERIA

Prospective tenants will be comprised of San Bernardino County residents that have been impacted by COVID-19 who are homeless or at-risk of homelessness and have an income less than 30% of the Area Median Income (AMI). Guests of Project Roomkey, homeless seniors and those with chronic health conditions, will be included in the initial pool of prospective tenants. All tenants will be prioritized and selected through the Coordinated Entry System (CES).

The lead supportive service provider, DBH, will be responsible for coordinating and assisting prospective tenants in completing all applications and paperwork necessary to determine eligibility. This includes the application for tenancy and verification of homelessness.

Property management, Quality Management Group, will conduct criminal background checks and income verification.

All future vacancies will be reported by Quality Management Group to DBH, who will obtain referrals from CES.

RENTING/OCCUPANCY

Quality Management Group will accept and process all applications. Applicants may be accompanied to the interview by their case manager. Applicants will receive written notification from the provider referring them for a consultation to determine housing eligibility. The interview process will obtain family income and composition information to certify eligibility and compute the tenant's rent and deposits. When an appropriate unit becomes available, management must conduct an orientation eligibility interview with the Applicant.

- When a unit becomes available, Manager will notify San Bernardino County within 48 hours and provide a date the unit will be ready to occupy.
- Any applicant who appears to qualify after a cursory review of the application by the Property Manager-QMG, but before any information is formally verified and for

whom a unit is not currently available, will be placed on the Waiting List. The Applicant is then informed about approximately how long the wait for a unit may be, including information about "Preference." Applicants on the Waiting List will be required to update the information on their application at least annually. All updates will be required to be made in writing.

- When a unit becomes available, in-place residents requiring a different unit (handicapped, non-handicapped) will be housed appropriately before moving in a tenant from the Waiting List. This allows management to treat current residents having the greatest housing need before applicants on the Waiting List. In this manner, we can avoid displacing, through eviction or other actions, current residents whose housing needs have changed since admission.
- All adults in each applicant family must sign an Authorization for Release of Information before receiving assistance and annually after that.
- The unit for which the family is applying must be the family's only residence.
- All information reported by the family is subject to verification.
- For accessible units, persons with a need for the unit will be interviewed for the type unit they self-declare a need for.

At the orientation interview, management must:

- Confirm and update all information provided and obtain all required information to determine eligibility and process an application. This includes information on income, homeless status, and family size. If the Applicant is determined ineligible, the managing agent must comply with proper procedures for rejection.
- Explain program requirements, verification procedures, and penalties for false information. The penalties include eviction, loss of assistance, fines up to \$10,000.00, and imprisonment up to five years.
- Obtain income information needed to determine eligibility and compute the tenant's share of the rent.
- Review the certification of homelessness to determine the homeless status of the Applicant.
- Review, confirm, and update all information necessary for the application.
- Have the head of household sign the release of information consent portion of any verification request used for them.

APPLICANT REJECTION

Applicants will be rejected if they do not meet the eligibility requirements stated above. An applicant may be rejected for any of the reasons listed below.

- a. The Applicant does not meet the income eligibility requirements for the apartment community; or

- b. The Applicant's homeless status does not have a certification from a homeless services provider; or
- c. The applicant family size is not appropriate for the size of available units; or
- d. The Applicant fails to respond to a written notice for an eligibility interview; or
- e. The Applicant is offered and rejects two apartments in the apartment community.

NOTIFICATION

Applicants will be notified of the result of their application for a housing unit according to their preferred mode of communication on the Rental Application Form (RAF). This written notice of acceptance will be delivered to the Applicant through the preferred method of communication noted on the RAF. Applicants without a mailing address will have the written notice of acceptance hand-delivered by the case manager or other social service professional.

APPEAL PROCESS

- a. Rejected Applicant has the right to appeal the decision by following the San Bernardino County Appeal process.
- b. The Applicant will be notified in their specified preferential mode of communication that they have the right to respond to the owner in writing or request a meeting within ten days to dispute the rejection.
- c. Any meeting with the Applicant to discuss the Applicant's rejection will be conducted by a member of the management's staff who was not involved in the initial decision to reject the Applicant.
- d. Management must give the Applicant a written final decision within five business days of the response or meeting.
- e. Management will keep the following materials on file: application, initial rejection notice; any applicant reply; final management response; and all interviews and verified information on which management based the rejection.

TARGETED POPULATION

- Adults over the age of 18, Couples and Families with dependent children.
- Persons of any age who have an underlying health condition such as:
 - Heart disease
 - Chronic lung disease or moderate to severe asthma
 - Immunocompromised
 - Underlying medical conditions that are not well controlled: diabetes, renal failure, or liver disease

- Person(s) experiencing homelessness or who are at risk of homelessness as described as members of the target population identified in Health and Safety Code section 50675.1.1(a) are individuals and families who are experiencing homelessness or who are at risk of homelessness defined in Section 578.3 of Title 24 of the Code of Federal Regulation and Person(s) impacted by or at risk of COVID-19
- Households below 30 percent of Area Median Income (AMI)
- Must be a resident of the County of San Bernardino.

HOMELESS DEFINITION

Applicants must be homeless, defined as follows:

- (1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, County, and local government programs); or (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or placed not meant for human habitation immediately before entering that institution
- (2) Individual or family who will imminently lose their primary nighttime residence provided that: (i) Residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified, and (iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing

If necessary, this status (as well as residency status) is verified through homeless social service providers providing certification of homeless status. Homeless social service providers include:

- a. A governmental or nonprofit agency receiving federal, State, County, or municipal funding to provide services to a homeless person or otherwise sanctioned to provide those services by a local homeless continuum of care organization.
- b. An attorney licensed to practice law in the State.
- c. A local educational agency liaison for homeless children and youth designated as such pursuant to Section 11432(g)(1)(J)(ii) of Title 42 of the United States Code, or a school social worker.
- d. A human services provider or public social services provider funded by the State of California to provide homeless children or youth services, health services, mental or behavioral health services, substance use disorder services, or public assistance or employment services.
- e. A law enforcement officer designated as a liaison to the homeless population by a local police department or sheriff's department with the State.

Applicants must not exceed program income limits based on family size, which are published annually. Income limits are 30% of AMI.

VACANCY POLICY & ELIGIBILITY REQUIREMENTS

The objective is to maintain a sustained occupancy of 100% in quality housing code compliant, clean, and safe. Vacancies will be filled through the COORDINATED ENTRY SYSTEM (CES). A waiting list for intra-building transfers will also be developed and maintained to accommodate those who become in need of ADA units.

WAITING LIST

There will be no waiting list for the property other than the internal ADA transfer of the unit. All referrals to vacancies will come through the CES.

There will be an accessible unit transfer waiting list for the property for residents currently residing at the property.

Review the accessible unit transfer list to see if an eligible person in the existing development has requested an accessible unit.

HOW FAIR HOUSING REQUIREMENTS WILL BE MET

The property manager will not discriminate on the grounds of race, color, national origin, age, disability, sex, gender identity, religion, marital status, familial status, sexual orientation, source of income, or any other arbitrary reasons.

The County, as part of the requirements of the Fair Employment and Housing Act (2 CCR Section 12005 et seq.), is required to establish fair and equitable guidelines for selecting applicants to occupy the housing units as part of its and/or its partners' development project(s). All applicants will be provided a certification packet detailing eligibility criteria prior to being offered a unit. The criterion will be made available to all applicants online or at any property as part of Home key.

The Non-Discrimination Notice will be displayed in the property management office and duly communicated for Pacific Village residents. The Handicapped Accessible symbol will also appear on all materials. TTY service is available for the deaf, and the manager will be advised how to work with the operator. Vision impaired tenants will be given the opportunity to have all paperwork read to them and may record that meeting.

EXHIBIT C-1

OWNER RESPONSIBILITIES

Throughout the term the Owner agrees to perform the following obligations:

- Designated Contact. The Owner shall designate and provide contact information to Agent for the primary contact to administer this agreement on behalf of the Owner and to serve as the representative to communicate directly with the Agent. All reports, communications, and notices as required herein shall be deemed delivered to Owner when delivered as set forth hereinafter to Owner's Representative at the address provided under Section 9.8 of the Management Agreement.
- Funding:
 - Annual Appropriations. The Owner shall be solely responsible for timely requesting funding and approvals from the Board of Supervisors to meet its obligations under this Management Agreement. It being understood that the Board of Supervisors retains discretion over all funding decisions and nothing herein shall be interpreted in any way to limit said discretion.
 - Annual Budget. The Owner shall prepare Annual Operating Budget for the Property will in consultation with the Agent on or about three months prior to the beginning of each fiscal year.
 - Deposits. The Owner shall be solely responsible for making the deposits required under the Management Agreement.
- Operations.
 - Owner shall be responsible for performing any obligations under the mutually agreed upon Operating Policies.
 - Owner shall provide any concerns or suggestions from the Owner directly to the Director of Operations and then information will be communicated to the on-site manager.
 - Provide Agent with copies of all documents and records affecting the Property's management, including, (but not limited to), all regulatory agreements or affordable housing agreements in place, operating and management documents including Program Participant Agreements and amendments ("O & M Documents"), correspondence, program participation contribution payment records and mortgage loan information and payment instructions, insurance policies, service contracts, disclosures, construction plans, blueprints, drawings, surveys, documents pertaining to current litigation for the community including unlawful

detainers, and any additional related materials. Owner will notify Agent if Owner becomes aware of any change in the documentation, records or disclosures.

- Notify Agent of any Property mortgage or tax payment that becomes more than 30 days late, and to notify Agent before marketing or listing the Property for sale
- Referrals and Services.
 - Owner shall have the sole responsibility of implementing the initial program participant eligibility screening and shall use the Coordinated Entry System or an alternative referral process to make referrals to the Agent. Owner will comply with all applicable standards in making the initial determination, including but not limited to Homekey Regulatory Agreement, etc.
 - Maintain releases of information for each program participant in the program to ensure open communication between the Owner and Agent.
 - Provide County and/or contracted vendor staff to deliver voluntary intensive case management and supportive services to Pacific Village program participants that are experiencing an identified situation or crisis that jeopardizes the stability of their residential housing. The Owner will maximize the presence of County or contracted vendor staff as is possible. County or contracted vendor staff will provide 24-hour support to program participants.
 - Provide case management and supportive services to assist in identifying and removing barriers to program participants successfully becoming employed, housed, or educated to the level needed to achieve self-sufficiency. The length of case management and supportive services depends on individual or family needs. As part of their Individual Support Services Plan (ISSP), program participants will obtain services from appropriate County programs and/or through referrals to community and/or private programs. Services may include: clinical assessments, crisis intervention, case management services, medication support services, individual and group therapy, and rehabilitation services.
 - Develop an ISSP for all program participants receiving services.
 - Ensure case management of all participants is maintained with all required forms and documentation. Maintain a quality assurance process to ensure timely and appropriate case management and supportive services.
 - The Owner shall maintain individual records for program participants.
 - Obtain a Health Insurance Portability and Accountability Act (HIPAA) compliant release of information for each referred program participant prior to any discussions with Agent on program participant's progress in the ISSP.

- Provide or arrange transportation on a case-by-case basis for program participants to attend appointments and utilize resources as outlined in the program participant's ISSP.

EXHIBIT C-2

AGENT RESPONSIBILITIES RESIDENTIAL SITE

Throughout the term the Agent agrees to perform the following related only to the Residential Site:

- Designated Contact. The Agent shall designate and provide contact information to Owner for the primary contact to administer this agreement on behalf of the Agent (the "Director of Operations") and to serve as the representative to communicate directly with the Owner. All reports, communications, and notices as required herein shall be deemed delivered to Agent when delivered as set forth hereinafter to Director of Operations at the address provided under Section 9.8 of the Management Agreement.
- Operating Policies. The Agent shall implement the approved general operating policies for the Residential Site. It shall be the responsibility of the Agent, based upon previous experience and knowledge, to recommend and advise the Owner regarding such policies consistent with the Program Participant Agreement.
- Funding/Accounting
 - Agent shall keep all books and accounts and perform all accounting procedures in strict conformance with Generally Approved Accounting Principles (GAAP).
 - Agent will review Regulatory Agreements to determine requirements set forth by the Owner, Lender(s) and any governing agency for all operating and reserve accounts, audits, fees, distributions and reporting, as well as any other requirements.
 - Agent shall set up and maintain bank accounts as needed and required by Owner, Lender and any Regulatory Agreements. Agent shall generate and securely maintain deposit slips and other transaction documents for the mandated retention periods, until destroyed.
 - On-site staff maintain shall maintain accurate and current physical program participant files and set up and maintain correlating records for each program participant in a database.
 - Manage accounts payables and receivables, with onsite staff or corporate accounting staff tracking transaction in a management software program, using a batch system. Agent may establish internal procedures and guidelines to ensure payables are consistent with the Annual Operating Budget.

- Collect program participation contributions and other program income either onsite and at the Agent's corporate office. Cash will not be accepted unless mandated by law as specified in a Pay or Quit Notice.
- Collect business license, W-9 and Proofs of Insurance to ensure requirements set by Owner and Agent are adhered to before being hired to perform any activities at the Residential Site.
- Generate and maintain all financial and accounting reports requested by Owner, or required by a Lender or under a Regulatory Agreement, including but not limited to: (a) balance sheet; (b) income statements; (c) trial balances, (d) general ledger; (e) program participation contribution roll, if applicable; (f) reconciled bank statements; (g) budget variance reports; (h) any other reports reasonably requested by Owner. Agent shall deliver electronic financial reports for the preceding month on or before of the 20th day of each month of the Term.
- Agent will fully cooperate with the Owners' independent Certified Public Accounting firm for the auditing of all financial records, as desired by owner, required by Lender or specified in any regulatory or partnership agreements governing the property.
- Operations
 - Director of Operations to give direct instructions to the Property staff exclusively through Agent.
 - Agent will hire and train all personnel necessary to perform obligations under this Agreement, including (a) Community Agent; (b) Assistant Community Agent; (3) Maintenance Supervisor and Technician. Agent will recommend to the Owner staffing requirements on the Property.
 - Agent will also supervise independent contractors and other service providers, and verify that insurance is in force on all outside service providers.
 - The Equal Housing Opportunity and Accessibility logos will be displayed in the Rental Office of the Property. A fair housing poster will be displayed in the Rental Office, or wherever prospective program participant interviews take place.
 - Agent shall maintain the Residential Site in a habitable condition as required by Civil Code §§1941 and 1941.1 and Health and Safety Code §§17920.3 and 17920.10 and other applicable laws. In the instance of any emergency involving danger to persons or property which require immediate repairs or which require immediate payments to avoid disconnection of services to the Residential Site, the Agent shall take action as is necessary to temporarily correct the events and will advise the Owner as soon as possible, but no more than 48 hours after the event.

- The staff will maintain the Residential Site in good, clean condition and encourage the program participants to lend a helping hand in this endeavor, performing all interior and exterior maintenance. There will be a strong emphasis on preventive maintenance, which shall be performed on a regular basis and in accordance with a Preventive Maintenance Plan, which may include implementation of parking restrictions and adherence to Multi-Family Crime Free principles.
- Agent's maintenance staff will receive work orders and complete them with a record of work done in a reasonable and timely manner. In case of an emergency, there will be an immediate response. If the maintenance request is a result of negligent behavior, the Agent shall refer such incidents to the Owner and may at the request of the Owner charge the program participant a fee for the direct cost of repairing the item.
- Reporting of Injuries or Incidents. Agent will report to the Owner the occurrence of any serious injury or incident ("Incident") promptly (but in any case not later than seventy-two (72) hours after becoming aware of such Incident). The report shall: (a) assess and describe the nature and scope of the event; (b) identify the individuals involved, if any; (c) list the steps taken, or to be taken, to contain, control and stop the Incident.
- Security. Agent will promote a pleasant, and healthy living environment for both the program participants of the Residential Site as well as the neighbors in the surrounding areas, strict enforcement of the rules will be maintained at all times and no trespassers will be tolerated either on the Residential Site, the Vacant Site.
- Inspections. Periodic inspections will be made of each apartment to ascertain the condition of each unit. These inspections will occur at least annually and may occur as often as quarterly
- Notification of Pending Vacancies. As soon as practicable, Agent shall notify Owner of potential vacancies.
- Disclosures. Agent shall make disclosures relating to changes to the environmental condition of the Residential Site discovered or created by the Agent.
- Processing of Program Participation Referrals.
 - Agent shall process potential program participants referred to Agent by Owner in compliance. Agent shall conduct criminal background reviews and conduct income verification.
 - Manage Placement. Agent shall be solely responsible for the management and placement of the program participants in available units. In placing program participants, Agent shall provide move-in packages, conduct move-in orientations and inspections, give program participants the opportunity to read and review the Program Participant Agreement and the House rules. Each program participant

will be required to sign the Program Participant Agreement as well as the House Rules.

- Waitlist. As applicable, Agent shall maintain a waitlist of potential program participants.
- Affirmative Fair Housing Marketing Plan. When there are an insufficient number of program participants available through the Coordinated Entry System and when approved by the Owner, the Property will be marketed in accordance with the approved Affirmative Fair Housing Marketing Plan.

- Items specifically excluded:

There may be instances where the Agent may become involved in situations that go beyond those that would be deemed to be normal and routine. In these instances, the normal Monthly Management Fee may not be adequate to compensate the Agent for the additional time and effort that is involved in dealing with these situations. Fees charged for items outside of the scope would be charged pursuant to the terms of Section 7.2 of the Agreement.

The following situations would involve additional compensation to the Agent and prior approval by Owner before being undertaken by Agent on behalf of Owner:

- Major repairs, replacement, and/or rehabilitation to building systems. This would include (but not be strictly limited to) roofing repairs and replacement, major electrical upgrades or repairs, major plumbing upgrades and repairs, or the repair, replacement, or upgrade of other major building systems, to the extent not included as part of the Annual Budget)
- Unit turnover tasks that go beyond the definition of “normal and routine” with Agent document projected costs and providing Owner an estimate prior to conducting.
- Landscape, irrigation, and parking area upgrades and restoration.
- Additions and or major repairs to exterior lighting systems.
- Fire restoration or major building modernization work.
- Obtaining income tax advice.
- Presenting petitions to planning and zoning authorities.
- Advising on new construction.
- Accounting audits and/or custom reporting.
- Lender or other third-party inspections.
- Assisting with the refinancing of the property, or other real estate transactions.
- Assistance with the protest of property taxes and assessed valuation issues.
- Other work or assistance that would fall outside of “normal and routine”.

EXHIBIT C-3

AGENT RESPONSIBILITIES VACANT SITE

Throughout the term the Agent agrees to perform the following related only to the Residential Site:

- The Owner and Agent shall work together to establish general maintenance standards for the Vacant Site.
- In the instance of any emergency involving danger to persons or property which require immediate repairs or which require immediate payments to avoid disconnection of services to the Residential Site, the Agent shall take action as is necessary to temporarily correct the events and will advise the Owner as soon as possible, but no more than 48 hours after the event.
- General graffiti removal on all portions of the Vacant Site.
- Quarterly maintenance of Vacant Site, including the Large Vacant Lot, the Small Vacant Lot, and the Exterior/Interior of the Kitchen and former Church building. All areas used by the Owner
- Monthly pest control on entire Vacant Site.
- Annual roof and exterior structural and mechanical inspection
- The Agent shall perform the following specific duties, annually:
 - Large Vacant Lot
Clean Up to include tree removal and leveling of field - \$5,000
 - Small Vacant Lot
Clean Up to include trimming of trees at fence line - \$3,000

If Agent is requested to supervise any improvement project related to material renovations to the Property (i.e., improvements to the Property that do not relate to or arise from ordinary or customary maintenance, repairs or replacements) (collectively, the "Improvement Project") following the issuance of the last certificate of occupancy for the Property, then Owner shall also pay to Agent a construction supervision fee (the "Construction Management Fee") in an amount equal to Six Percent (6.00%) of the total hard and soft costs incurred in connection with any such Improvement Project, provided the aggregate cost of any such Improvement Project exceeds Ten Thousand Dollars (\$10,000.) Notwithstanding the foregoing, Agent is only eligible to receive the

Construction Management Fee for improvement projects that are approved by Owner in writing prior to the commencement of such Improvement Project.