

**LEASE AND MEMORANDUM OF UNDERSTANDING
BETWEEN THE COUNTY OF YOLO THROUGH ITS
DEPARTMENT OF ALCOHOL, DRUG, AND MENTAL HEALTH
AND YOLO COUNTY HOUSING**

This Lease and Memorandum of Understanding (MOU) is entered into this _____ day of December 2009, by and between the County of Yolo through its Department of Alcohol, Drug, and Mental Health (ADMH) and Yolo County Housing, (formally the Housing Authority of the County of Yolo, hereafter YCH), a public body corporate and politic, to establish a partnership that will provide Property and Physical Asset Management for the following two properties purchased by Yolo County Housing with funding provided by ADMH, which properties are identified as those single-family residences located at:

1. 2439 Meadowlark Circle, West Sacramento, CA (APN 045-772-07-1)
("Meadowlark property")

and
2. 214 Trinity Street, Woodland, CA (APN 064-195-08-1) ("Trinity property")

and hereafter referred to collectively as "the Residences."

This MOU, which shall commence on December ____, 2009 and shall continue subject to the termination provisions contained below, replaces and supersedes the Memoranda of Understanding between ADMH and YCH dated June 24, 2008 and January 10, 2008. This MOU constitutes the entire agreement of the parties, and no other agreements or representations, oral or written, have been made or relied upon by either party. This MOU may only be amended in writing signed by both parties, and any other purported amendment shall be of no force or effect. This MOU shall be subject to disclosure pursuant to the California Public Records Act.

I. LEASE OF RESIDENCES.

A. Acknowledgement of Use of Mental Health Services Act Funds and Purpose of Lease.

1. ADMH and YCH acknowledge and agree that the source of funds for the purchase and renovation of the Residences was Mental Health Services Act monies allocated to the County of Yolo ADMH. Said funds were provided to YCH for the purchase and renovation of the Residences pursuant to the Memoranda of Understanding between ADMH and YCH dated June 24, 2008 and January 10, 2008 for the purpose of obtaining housing that could be used by ADMH for operating transitional housing programs for mental health clients of ADMH.

2. ADMH and YCH acknowledge and agree that YCH took and holds title to the Residences.

3. ADMH and YCH acknowledge and agree that YCH's title to the Residences is subject to the terms of this MOU, and further agree that during the effective period of this MOU and upon the termination of this MOU as provided herein, the Residences shall be subject to the

provisions of this MOU dealing with the disposition of the Residences upon termination (Section V., below).

4. During the term of this MOU, YCH agrees not to sell, encumber or transfer any interest in the title of the Residences without the express written consent of ADMH as duly authorized by the Yolo County Board of Supervisors.

5. The parties agree that a copy of this Lease and MOU shall be recorded with the County of Yolo Recorder.

B. Lease Term.

1. YCH shall lease the Residences to ADMH in exchange for the promises and performances contained in this MOU.

2. The initial term of the lease shall commence on the effective date of this MOU and continue until June 30, 2010. The lease shall continue for successive one (1) year terms from July 1 of each year to June 30 of the following year, unless terminated on sixty (60) days written notice by either party or as otherwise provided in this MOU.

3. Notwithstanding any other provision of this MOU, the lease shall terminate on June 30, 2025, unless renewed by the parties in writing or unless a new lease agreement is substituted in place of this MOU.

II. MANAGEMENT OF RESIDENCES.

A. Responsibilities of Yolo County Department of Alcohol, Drug and Mental Health, itself or with the assistance of its designated subcontractor:

1. ADMH and/or its designated subcontractor will identify appropriate clients from its programs to occupy the Residences as transitional housing.

2. ADMH and/or its designated subcontractor will collect any and all rents from client-occupants of the Residences.

3. ADMH and/or its designated subcontractor will review with and explain to clients all paperwork having to do with housing, housing expenses, personal expenses, loan agreements, releases of information, etc., which the clients may need to complete in order to live in either of the Residences.

4. ADMH and/or its designated subcontractor will assist client-occupants to obtain General Assistance funding or other public assistance to contribute toward rent, which shall be payable to ADMH or its designated subcontractor.

5. ADMH and/or its designated subcontractor will develop house rules for the client-occupants to abide by, which rules will be modified as needed over time. No pets shall be allowed, except for those needed as a reasonable accommodation under the Fair Housing Act, the California Fair Employment and Housing Act, or the American with Disabilities Act. Client-occupants may only smoke outside in the backyards of the Residences; no indoor, front yard or front porch smoking is permitted at the Residences.

6. ADMH and/or its designated subcontractor will provide supportive housing services to client-occupants of the Residences, which services will include (but not be limited to) training on household living skills (including cleaning, organizing, etc.), identifying and purchasing necessary items for the home, dealing appropriately with problems in the home, and maintaining good relationships with housemates and with neighbors. The services provided to client-occupants shall be the sole responsibility of ADMH and/or its designated subcontractor. All decisions relating to whether a client continues to reside in the Residences and/or receive such services shall be the responsibility of ADMH and/or its designated subcontractor.

7. ADMH and/or its designated subcontractor will hold joint weekly house meetings with the client-occupants of the Residences.

8. ADMH and/or its designated subcontractor shall be responsible to communicate promptly with YCH regarding any issues or problems relating to management of the physical property of the Residences.

9. ADMH and/or its designated subcontractor agree to comply with all of the covenants, conditions and restrictions (CC&Rs) applicable to the Residences.

B. Responsibilities of Yolo County Housing:

1. YCH will maintain the physical and structural safety of the structures and yards of the Residences.

2. YCH will provide maintenance and repairs for the structures and yards of the Residences, except for the following: Client-occupants shall be responsible for mowing the front yard at the Meadowlark property and client-occupants shall be responsible for watering the entire yard at the Trinity property. YCH will respond within twenty-four (24) hours to emergency maintenance or repair requests, within seventy-two (72) hours to hazard maintenance or repair requests, and within thirty (30) days to all other requests made by ADMH and/or its designated subcontractor. The parties understand that these time frames may need to be extended if parts required for maintenance or repairs are not immediately available and must be ordered.

3. YCH will provide 24-hour availability for emergency maintenance or repair needs in the structures and yards of the Residences.

4. YCH will provide ongoing yard maintenance for the Residences, except as provided in subparagraph 2 of this subsection B.

5. YCH will perform background safety checks on any prospective client-occupants whose name, social security number, date of birth and place of birth are provided by either ADMH or its designated subcontractor.. Within twenty-four (24) hours of receipt of the background safety check, YCH will provide the information obtained from the background safety checks to ADMH and/or its designated subcontractor. ADMH and/or its designated subcontractor shall pay for or obtain payment from clients for the costs actually incurred by YCH for the background safety checks.

6. YCH will accept comments and complaints from neighbors and other members of the public concerning the Residences, whether offered in person or over the phone. Non-emergency complaints and comments shall be documented and conveyed to ADMH and/or its

designated subcontractor, via fax, within one (1) business day; emergency calls shall be referred to the appropriate emergency services agency or agencies (Police, Fire, Ambulance, etc.) and to the telephone number(s) provided for this purpose by ADMH and/or its subcontractor.

7. YCH will submit an end of year financial report that includes an accounting of all revenues and expenditures. This report will be submitted within sixty (60) days of the end of the fiscal year.

C. Responsibilities of Both Parties:

1. ADMH, its designated subcontractor, and YCH will be responsible to communicate promptly among the parties any relevant problems, issues, needs, complaints, or other feedback, whether positive or negative.

2. Any and all issues relating to client-occupant safety shall be paramount, and resolution of any such issues shall be considered the highest priority of the parties to this memorandum.

3. These two Residences shall be maintained to serve as transitional housing for clients of ADMH. Should it become necessary to evict any client-occupant of these Residences, said eviction shall be done in accordance with the law. ADMH or its designated subcontractor shall be solely responsible for handling any necessary eviction proceedings.

III. COMPENSATION.

A. With appropriate documentation of expenditures as specified in paragraph B of this Section, YCH shall be entitled to compensation each fiscal year as provided below:

1. For Fiscal Year 2009/2010:

Fixed Fee	Meadowlark Property	Trinity Property
Staffing	\$4,050	\$4,050
Replacement Fund	\$1,500	\$1,500
Actual Cost	Meadowlark Property	Trinity Property
Mello-Roos Tax	\$1,100	0
Background Safety Check (per client)	\$28.85	\$28.85
Not-to-Exceed Amount	Meadowlark Property	Trinity Property
Water and Sewer	\$800	\$800
Garbage and Collection	\$500	\$500

Gas and Electricity	\$4,000	\$4,000
Insurance	\$750	\$750
Yard Maintenance	\$1,500	\$1,500
Maintenance Labor	\$3,000	\$3,000
Maintenance Materials	\$1,200	\$1,200
Pest Control	\$250	\$250
Extraordinary Maintenance	\$500	\$500

The total compensation amount paid for fiscal year 2009/2010 shall not exceed Fifty Thousand Dollars (\$50,000).

2. **For Each Fiscal Year Following 2009/2010:** ADMH and YCH mutually agree to meet, if necessary, and develop a fee schedule and compensation cap by June 15th of each year, which fee schedule and compensation cap will be effective the following fiscal year.

B. Services of YCH will be billed monthly via itemized invoice including all supporting documentation. Invoices will be directed to Yolo County Internal Billing and forwarded by Yolo County courier to: 21F, Attn: Accounts Payable Unit.

C. Funding source for this MOU shall be the Mental Health Services Act (MHSA).

D. Within thirty (30) days of receipt of a written itemized invoice, ADMH shall pay YCH \$1,893.85 for services rendered between July 1, 2009 and the date of execution of this MOU.

IV. INDEMNIFICATION.

A. Yolo County Housing (YCH) shall indemnify, defend and hold harmless the County of Yolo, ADMH, its elected representatives, officers, agents, and employees from and against any and all claims, demands, losses, defense costs, expenses (including attorney fees) or liability of any kind or nature, for personal injury or property damage arising out of or, as a result of litigation or administrative proceeding(s), alleged to arise out of any act, error or omission by YCH, its officers, agents or employees, in performing the services, responsibilities or duties required of YCH by this MOU; or any breach of any statutory, regulatory, contractual or legal duty of any kind related, directly or indirectly, to the services, responsibilities or duties required of YCH by this MOU.

B. The County of Yolo shall indemnify, defend and hold harmless YCH, its elected representatives, officers, agents, and employees from and against any and all claims, demands, losses, defense costs, expenses (including attorney fees) or liability of any kind or nature, for personal injury or property damage arising out of or, as a result of litigation or administrative proceeding(s), alleged to arise out of any act, error or omission by ADMH, its officers, agents or employees, in performing the services, responsibilities or duties required of ADMH by this MOU; or any breach of any statutory, regulatory, contractual or legal duty of any kind related, directly or indirectly, to the services, responsibilities or duties required of ADMH by this MOU.

C. In providing any defense under this Section IV, the indemnifying party shall use counsel reasonably acceptable to the party being indemnified. The provisions of this Section IV shall survive the termination or expiration of this MOU.

V. TERMINATION.

A. Either party may terminate this MOU for any reason upon sixty (60) days advance written notice; advance notice of sixty (60) days is necessary to allow sufficient time to relocate client-occupants living in the Residences at the time notice is given.

B. ADMH may immediately terminate this MOU if:

1. Through any cause, YCH shall fail to fulfill in a timely and proper manner its obligations under this MOU; and
2. The YCH violates any provision of this MOU; and
3. The MHSA funding from the State of California for the services provided under this MOU is terminated; and
4. YCH is unable or unwilling to comply with such additional conditions as may be applied by the State of California to MHSA funding under this MOU.

C. YCH may immediately terminate MOU if:

1. Through any cause, ADMH shall fail to fulfill in a timely and proper manner its obligations under this MOU; and
2. ADMH violates any provision of this MOU.

D. The termination of this MOU shall not relieve YCH of liability to ADMH for any damages sustained by ADMH by virtue of any breach of this MOU by YCH; and ADMH may offset any such damages against any reimbursement or payments otherwise due YCH pursuant to this MOU. ADMH may also take any corrective action as otherwise provided by State laws and regulations. The termination of this MOU shall not relieve ADMH of liability to YCH for any damages sustained by YCH by virtue of any breach of this MOU by ADMH; and ADMH must provide payment to YCH for all services rendered on or before the date of termination of this MOU.

E. If for any reason, this MOU is terminated prior to its full performance; YCH shall be entitled to reimbursement out of the funds paid under this MOU for all of its costs, expenses or any legal liabilities. All unexpended portions of the funds paid to YCH by ADMH under this MOU shall be returned to ADMH.

F. Notwithstanding any other provision of this MOU, this MOU shall terminate on June 30, 2025 unless renewed in writing by the parties or unless a new memorandum of understanding is entered into by the parties.

G. If for any reason, this MOU is terminated or expires, the Residences shall be disposed of as provided in this section. Upon termination or expiration of this MOU, the County of Yolo shall have a right of first refusal to purchase the Residences from YCH at the price of one (\$1.00) dollar each provided all outstanding costs and expenses of YCH with respect to the management of the Residences, including the \$19,000 in expenses incurred by YCH above the funding provided by ADMH for purchase and rehabilitation of the Residences, is paid to YCH. The County of Yolo shall have sixty (60) days following the termination or expiration of this MOU

to exercise this right of first refusal by providing a written notice to YCH. YCH shall have sixty (60) days following the exercise of the right of first refusal to effect the transfer of title to the County of Yolo. The County of Yolo shall bear all costs of escrow or other expenses incurred in the transfer of title from YCH to the County of Yolo. This provision may be enforced by obtaining a court judgment of specific performance.

H. If upon termination or expiration of this MOU, the County of Yolo fails to exercise its right of first refusal, YCH shall have the right to maintain title to the Residences, provided that YCH continues to designate the Residences as housing for low-income mentally ill persons. To exercise its option, YCH must record a restrictive covenant designating the Residences as housing for mentally ill persons within sixty (60) days after it receives notice that the County of Yolo will not exercise its right of first refusal.

I. If upon termination or expiration of this MOU, the County of Yolo fails to exercise its right of first refusal, and YCH fails to maintain title by recording a restrictive covenant as indicated in subparagraph H above, the Residences shall be sold. Both ADMH and YCH shall cooperate in effecting the sale of the Residences in a manner that obtains the highest reasonable price for the Residences. Upon sale of either property under these circumstances, YCH shall be entitled to reimbursement from the proceeds of the sale for the costs of all services rendered pursuant to this MOU and any costs of sale incurred by YCH. All remaining proceeds from sale of the Residences shall be returned to the County of Yolo at close of escrow.

VI. INDEPENDENT CONTRACT STATUS.

It is specifically agreed that in the making and execution of this MOU, YCH and any agents and employees of YCH are independent contractors and are not and shall not be construed to be agents or employees of ADMH and that YCH shall have no authority, expressed or implied, to act on behalf of ADMH or to bind ADMH to any obligation whatsoever. It is further specifically agreed that in the making and execution of this MOU, ADMH and any agents and employees of ADMH are independent contractors and are not and shall not be construed to be agents or employees of the YCH and that ADMH shall have no authority, expressed or implied, to act on behalf of YCH or to bind YCH to any obligation whatsoever.

VII. ASSIGNMENT; SUBCONTRACTING; SUBLEASING.

A. No performance of this MOU or any portion thereof may be assigned or subcontracted by YCH without the express consent of ADMH. Any attempt by YCH to assign or subcontract any performance of this MOU shall be null and void and shall constitute a breach of this MOU.

B. ADMH may sublease the Residences to a subcontractor with the prior written consent of YCH. Any subtenant must agree to comply with all relevant provisions, especially Sections I and II, of this MOU.

VIII. INSURANCE.

A. During the term of this MOU, each Party, at its sole cost and expense, shall obtain and maintain throughout the entire term of this MOU, insurance coverage at the minimum limits of:

1. General Liability: One million dollars and no cents (\$1,000,000.00) per occurrence for bodily injury, personal injury and property damage; and
2. Automobile Liability: One million dollars and no cents (\$1,000,000.00) per accident for bodily injury and property damage; and
3. Workers' Compensation: Statutory limit.

B. Yolo County ADMH, its elected representatives, officers, agents, employees and volunteers shall be named as additional insured or as additional covered party for self-insurance, on all liability insurance or self-insurance maintained by YCH other than workers' compensation insurance. Any insurance maintained by ADMH shall apply in excess of, and not contribute with, insurance provided by YCH's liability insurance policy. Yolo County Housing, its elected representatives, officers, agents, employees and volunteers shall be named as additional insured or as additional covered party for self-insurance, on all liability insurance or self-insurance maintained by ADMH other than workers' compensation insurance. Any insurance maintained by YCH shall apply in excess of, and not contribute with, insurance provided by ADMH's liability insurance policy.

IX. COMPLIANCE WITH APPLICABLE LAWS.

Each party shall comply with all applicable laws, decisions, statutes, regulations, ordinances, policies and procedures of the United States, the State of California, and local governments.

X. NOTICES.

A. All notices shall be deemed to have been given when made in writing and delivered or mailed to the respective representatives of ADMH and YCH at their respective addresses as follow:

YCH:

Attn: Executive Director, Yolo County Housing
147 W. Main Street
Woodland, CA 95695
Phone: (530) 662-5428
Fax: (530) 662-5429

ADMH:

Attn: Director, Yolo County Department of Alcohol, Drug, and Mental Health
137 N. Cottonwood Street, Suite 2500
Woodland, CA 95695
Phone: (530) 666-8516
Fax: (530) 669-1408

B. Any party may change the address or facsimile number to which such communications are to be given by providing the other party with written notice of such change at least fifteen (15) calendar days prior to the effective date of the change.

C. Notice of Possessory Interest. Under this MOU, a possessory interest subject to property taxation and special taxation may be created. Pursuant to California Revenue and Taxation Code §107.6, and Chapter 2.5 (commencing with §53311), Part 1, Division 2, Title 5 of

the California Government Code, notice is hereby given that such property interest may be subject to property taxation and special taxation if created, and that the Party in whom the possessory interest is vested may be subject to the payment of property or special taxes levied on such interest.

XI. SUCCESSORS.

This Agreement shall inure to the benefit and bind successors of each of the parties.

XII. AUTHORIZED REPRESENTATIVE.

The persons executing this MOU on behalf of YCH and ADMH affirmatively represent that s/he has the requisite legal authority to enter into this MOU on behalf of YCH or ADMH and to bind YCH and ADMH to the terms and conditions of this MOU. Both the persons executing this MOU on behalf of YCH and ADMH understand that ADMH and YCH are relying on this representation in entering into this MOU.

XIII. SEVERABILITY.

If any of the provisions of this MOU is held invalid, the remainder shall not be affected thereby, if such remainder would then continue to conform to terms and requirements of applicable law.

XIV. ALTERATION TO AGREEMENT.

No alteration or variation of the terms of this MOU shall be valid and/or binding unless made in writing and signed by the parties hereto.

XV. EFFECTIVE DATE.

This MOU shall not be effective until approved by the Yolo County Board of Supervisors and the Board of Commissioners of the Housing Authority of the County of Yolo.

XVI. ENTIRE AGREEMENT.

This MOU constitutes the entire agreement between ADMH and YCH and supersedes all prior negotiations, representations, or agreement, whether written or oral. In the event of a dispute between the parties as to the language of this MOU or the construction or meaning of any term hereof, this MOU shall be deemed to have been drafted by the parties in equal parts so that no presumptions or inferences concerning its terms or interpretation may be construed against any party to this MOU.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

Yolo County Housing:

Yolo County Alcohol, Drug and Mental Health:

Lisa A. Baker, Executive Director

S. Kim Suderman, Director

Date

Date

Helen M. Thomson, Chair
Board of Commissioners of the
Housing Authority of the County of Yolo

Mike McGowan
Yolo County Board of Supervisors

Date

Date

Attest:
Ana Morales, Clerk
Board of Commissioners of the
Housing Authority of the County of Yolo

Attest:
Ana Morales, Clerk
Yolo County Board of Supervisors

By _____
Deputy
(Seal)

By _____
Deputy
(Seal)

Approved as to Form:

Approved as to Form:

By _____
Sonia Cortés, Agency Counsel

By _____
Daniel C. Cederborg
Assistant County Counsel