



Yolo County Housing

Lisa A. Baker, Executive Director

147 W. Main Street
WOODLAND, CA 95695

Woodland: (530) 662-5428
Sacramento: (916) 444-8982
TTY: (800) 545-1833, ext. 626

BOARD OF COMMISSIONERS

Duane Chamberlain
Marlene Garnes
Michael H. McGowan
Matt Rexroad
Helen M. Thomson
Steven Tupolo
Mariko Yamada

DATE: September 4, 2008
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
SUBJECT: **ADOPTION OF RESOLUTION AUTHORIZING ADOPTION OF STANDARD AGREEMENT NO. 08-OMS-878 (RD) FOR THE MADISON MIGRANT CENTER LOCATED IN THE TOWNSHIP OF MADISON, YOLO COUNTY**

RECOMMENDED ACTIONS:

That the Board of Commissioners:

Adopt the Resolution Authorizing Adoption of Standard Agreement No. 08-OMS-878 (RD) for the Madison Migrant Center located in the Township of Madison, Yolo County.

BACKGROUND / DISCUSSION:

The YCH manages migrant centers for the Department of Housing and Community Development, Office of Migrant Services (OMS). These are funds for administering housing for migratory workers and their families at the Madison Migrant Center in the Township of Madison, County of Yolo. The contract amount for the FY 2008-2009 is \$628,741. This is \$54,000 short of anticipated needs. Staff has been meeting to determine how best to balance this budget. However, all budget changes must be negotiated and approved in advance by OMS. Below are some points regarding individual line items and current cash flow.

1. The funding request that was submitted to OMS in February asked for \$670,068 and after factoring in the tentative bargaining agreement our funding need is \$681,102.
2. Madison has virtually no funds carried over from the 2007-2008 agreement and little discretion in our spending. The budget includes :

a. Debt service	\$88,000
b. Required reserve set aside	11,500
c. Insurance coverage	60,000
d. Gas & Electricity	82,000
e. Trash Collection	28,000
f. Water	81,000
g. Admin (10% of operating cost)	57,158
h. Personnel	195,536
i. All Other (inc. maintenance)	25,000

3. We have been asked by OMS to approve the agreement pending approval of a state budget in order to facilitate reimbursement once the budget has been approved. We will not be reimbursed for any expenses incurred until both this agreement and the state budget have been approved. Current funding for this program ended on June 30, 2008.
4. We believe we have adequate funds in the bank to keep the facility running through February, but we must get OMS approval before we can use these funds to reimburse our expenses. Until we receive approval, we'll be out of pocket over \$50,000 per month.
5. Once we receive a final budget, we will bring it back to the Board for review and/or approval as appropriate.

FISCAL IMPACT:

Included in the budget are administration fees of \$57,158 earned by the YCH for the administration of this program. We will be out of pocket an undetermined amount pending State budget approval.

CONCLUSION:

The Resolution is recommended for adoption.

Attachment: Resolution
_____ Standard Agreement No. 08-OMS-878

**YOLO COUNTY HOUSING
RESOLUTION NO. 08-_____**

**(Resolution Authorizing Adoption of Standard Agreement No. 08-OMS-878
(RD) for the Madison Migrant Center in the Township of Madison, Yolo
County)**

WHEREAS, Standard Agreement No. 08-OMS-878 (RD) (“Standard Agreement”) with the California Department of Housing and Community Development (“HCD”), will provide contract budget funds for administering housing for migratory workers and their families at the Madison Migrant Center, Township of Madison, County of Yolo, State of California; and

WHEREAS, it is desirable and necessary that this Agreement be agreed upon between the HCD and the Housing Authority of the County of Yolo; and

WHEREAS, the term of the Standard Agreement is upon HCD approval through August 31, 2009.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED, AND ORDERED AS FOLLOWS

1. The Board of Commissioners of the Housing Authority of the County of Yolo does hereby find and determine that the foregoing recitals are true and correct.
2. Standard Agreement No. 08-OMS-878 (RD) between the California Department of Housing and Community Development and the Housing Authority of the County of Yolo is hereby accepted and approved with a maximum amount of \$628,741.
3. The Executive Director on behalf of the Housing Authority of the County of Yolo is hereby authorized and directed to execute Standard Agreement No. 08-OMS-878 (RD) and any other documents necessary for the implementation of Standard Agreement No. 08-OMS-878 (RD).
4. This Resolution shall take effect from and after the date of its adoption.

PASSED AND ADOPTED, by the Board of Commissioners of the Housing Authority of the County of Yolo , State of California, this 4th day of September, 2008 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Michael H. McGowan, Chair
Board of Commissioners
Housing Authority of the County of Yolo

Approved as to Form:

By: Sonia Cortes, Agency Counsel

Attest:

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

By _____
Deputy

STATE OF CALIFORNIA
STANDARD AGREEMENT

STD 213 (Rev 06/03)

AGREEMENT NUMBER 08-OMS-878 (RD)
REGISTRATION NUMBER N/A

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME

Housing Authority, County of Yolo

2. The term of this Agreement is: Upon HCD Approval through August 31, 2009

3. The maximum amount of this Agreement is: **\$628,741.00**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Authority, Purpose and Scope of Work	2	page(s)
Exhibit A-1 – Legal Description	1	page(s)
Exhibit B – Budget Detail and Payment Provisions	2	page(s)
Exhibit B-1 – Operating Contract Budget	2	page(s)
Exhibit C – HCD General Terms and Conditions	6	page(s)
Exhibit D – State of California General Terms and Conditions	7	page(s)
Exhibit E – U.S.D.A. Rural Development Management Agreement	12	page(s)

TOTAL NUMBER OF PAGES ATTACHED: 32 pages

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

Housing Authority, County of Yolo

BY (Authorized Signature)

DATE SIGNED(Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

147 West Main Street, Woodland, CA 95695

STATE OF CALIFORNIA

AGENCY NAME

Department of Housing and Community Development

BY (Authorized Signature)

DATE SIGNED(Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Stacy Q. Hernandez, Contracts Manager, Budget and Contracts Branch

ADDRESS

1800 Third Street, Room 350, Sacramento, CA 95811

California Department of General Services Use Only

Exempt from: Department of General Services Approval

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

Section 1: Authority and Purpose

Pursuant to Chapter 8.5 (commencing with Section 50710) of Part 2, Division 31, of the Health and Safety Code, the Department of Housing and Community Development ("HCD") is responsible for the conduct and administration of a program to provide housing services for migratory workers and their families in California and may contract with housing authorities and other appropriate local, public and private non-profit agencies for the provision of housing and services. The Contractor agrees to comply with the aforementioned statutes and the Office of Migrant Services program regulations set forth in California Code of Regulations Title 25, Division 1, Chapter 7, Subchapter 7, commencing with section 7600 (the "Program Regulations").

Section 2: Contract Amount

For the purposes of performing the work, the State agrees to provide the amount shown on Page 1, Section 3 of this Agreement (Std. 213). In no instance shall the State be liable for any costs for the Work in excess of this amount, nor for any unauthorized or ineligible costs.

Section 3: Scope of Work

The Contractor shall provide the work [housing and services (hereinafter referred to as the "Work")] pursuant to the terms and conditions of this Agreement, at the location(s) described in Exhibit A-1, Legal Description. The State reserves the right to review and approve all Work performed by the Contractor in relation to this Agreement. Any proposed revision to the Work must be submitted in writing for review and approval by the State. Any approval shall not be presumed unless such approval is made by the State in writing.

The popular name of the housing is:	Madison Migrant Center
The popular street address of the housing is:	29289 State Highway 16 Madison, CA 95653

Section 4: Term

- a. This Agreement is effective upon approval by the State which is the date stamped by HCD in the lower right hand corner of page one of the Agreement.
- b. The term of this Agreement shall be as set forth on Page 1, Section 2 of this Agreement. The Contractor shall complete the activities as set forth in this Agreement and funded pursuant to Exhibit B prior to July 31, 2009.

Section 5: State Contract Coordinator

The coordinator of this Agreement for the State is the Manager of the OMS Program, Division of Financial Assistance, or the Manager's designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the State Coordinator at the following address:

OMS Program Manager
Department of Housing and Community Development
Division of Financial Assistance
Post Office Box 952054, MS 390-6/7
Sacramento, CA 94252-2054

Section 6: Contractor Contact Coordinator

The Contractor's contact for this Agreement is listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the contact at the following address:

Contractor:	Housing Authority, County of Yolo
Name:	Lisa Baker
Phone:	(530) 669-2219
Fax:	(530) 662-5429
Address:	Email: lbaker@ycha.org
147 West Main Street	
Woodland, CA 95695	

Section 7: Special Condition(s)

None

EXHIBIT A-1

LEGAL DESCRIPTION

A parcel of land being a portion of the West ½ of Section 27, T. 10 N., R. 1 W., M.D.B.&M., Yolo County, California, more fully described as follows:

Beginning at the Northwest corner of that certain parcel of land entitled Yolo County Labor Camp show on that Record of Survey filed in Book 9 of Maps and Surveys at Page 151 in the Office of the Recorder of the County of Yolo, said corner also being on the South line State Highway No. 16; thence South 71° 51.00" East 400.00 feet along said South line to the West line of the 20 foot easement shown on said Record of Survey; thence South 10° 15' 00" West 1102.42 feet along said West line, and the Southerly prolongation thereof, to the South line of said Section 27; thence West 597.54 feet along said South Line; thence North 10° 15' 00" East 606.87 feet; thence South 79° 51' 00" East of 120.00 feet; thence North 10° 15' 00" East 280.40 feet to the point of beginning.

Containing 13.50 acres, more or less.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Loan Amount and Disbursement Schedule

- A. Upon receipt of a certified resolution authorizing this Agreement, the State agrees to disburse to the Contractor or its authorized agent funds not to exceed the total amount stated in Item 3 of the Standard Agreement (Std. 213).
- B. The State further agrees to disburse said funds only for the approved purposes and itemized amounts stated in Exhibit B-1.
- C. If the Contractor is in violation of any provision of this Agreement, the State may, at its sole discretion, withhold payment of funds under this Agreement until such violations are corrected.
- D. If the Contractor expends funds in a manner consistent with this Exhibit B and Exhibit B-1 on or after July 1, 2008 but before the State executes the Agreement, these expenditures may be reimbursed from the advance provided by the State pursuant to Paragraph 2.B. However, the State shall have no obligation to reimburse these expenditures unless and until the Agreement is executed by the State and becomes effective.

2. Request for Funds

- A. HCD shall reimburse the Contractor monthly in arrears for the Contractor's actual and necessary expenses in accordance with Exhibit B-1, upon receipt of invoices and their approval by HCD for these expenses. However, funds provided through the annual operating Agreement which are in excess of actual and necessary expenses may be disbursed and deposited into a reserve account established and funded pursuant to Health and Safety Code Section 50710.1(b).
- B. Upon the effective date of this Agreement, the Contractor may, upon written request, obtain an advance of funds in an amount not to exceed 20 percent of the total amount provided under the Budget for the Agreement period. Any amounts advanced under this paragraph shall be applied against the final three months' invoices for this Agreement period.

2. **Request for Funds (continued)**

- C. The Contractor may, upon prior written approval of HCD, transfer any approved allocations or portions thereof, to other cost categories of Exhibit B-1. In no event, however, shall the total amount of this Agreement be exceeded without prior execution of a formal amendment to this Agreement.
- D. Funds allocated in Exhibit B-1 to line item 304 "Minor Rehabilitation" shall be subject to the following provisions:
1. Any funds allocated for line item 304 (minor rehabilitation) shall be spent only for the items and activities, and in the maximum amounts specified in Exhibit B-1, Item F, "APPROVED REHABILITATION ACTIVITIES." All expenditures shall occur according to the priority expressed in Item F. Notwithstanding Paragraph 2.C. above, funds in line item 304 shall not be subject to transfer to other cost categories.
 2. No advances shall be provided by HCD from these funds. All reimbursements shall be in arrears and shall require submission of invoices and related supporting documentation in a manner directed by HCD.
 3. Any funds not expended at the expiration of this Agreement shall be automatically disencumbered on that date and shall not be available for additional expenditures or reimbursements except as provided in Health and Safety Code Section 50710.1(b).
- E. Funds allocated in Exhibit B-1, line 209 "Major Equipment Repair/Maintenance" shall be spent only for the items, and in the maximum amounts, specified in Exhibit B-1, Item G.
- F. Before purchasing a motor vehicle, the Contractor shall submit documentation to the Program Manager of the Office of Migrant Services that a competitive procurement process was followed and shall receive approval for the purchase from HCD.

EXHIBIT B-1
OPERATING CONTRACT BUDGET

Contract No. 08-OMS-878 (RD)

Contractor: Housing Authority, County of Yolo

Filename: Madison Migrant Center

Term: 7/1/08 - 8/31/09

	CONTRACTOR FUNDS	STATE FUNDS
F. APPROVED REHABILITATION ACTIVITIES		
None	\$ 0.00	\$ 0.00
TOTAL LINE 304	\$ 0.00	\$ 0.00
G. APPROVED EQUIPMENT REPAIR AND MAINTENANCE		
Lawnmower, copy machine	\$ 0.00	\$ 4,400.00
TOTAL LINE 209	\$ 0.00	\$ 4,400.00

THIS IS NOT AN INVOICE

EXHIBIT B-1
OPERATING CONTRACT BUDGET

Contract No. 08-OMS-878 (RD)		Contractor: Housing Authority, County of Yolo	
Term: 7/1/08 - 8/31/09		Filename: Madison Migrant Center	
	CONTRACTOR FUNDS	STATE FUNDS	
A. CENTER PERSONNEL			
101	Permanent Salaries/Wages	\$	110,376.00
102	Temporary Salaries/Wages		17,198.00
103	Personnel Benefits		67,962.00
SUBTOTAL		\$	0.00
B. OPERATING EXPENSES			
201	Center Office Supplies	\$	600.00
202	Household Supplies		200.00
203	Communications		2,000.00
204	Travel		400.00
205	Auto Repairs/Maintenance		1,475.00
206	Gas/Oil		2,000.00
207	Minor Equipment Repair/Maintenance		250.00
208	Purchases Under \$150		0.00
209	Major Equipment Repair/Maintenance		4,400.00
211	Equipment Rental		0.00
212	Electricity and Gas		82,000.00
213	Garbage, Trash		28,000.00
214	Sewer, Water		81,000.00
215	Other Costs		68,000.00
SUBTOTAL		\$	0.00
C. MAINTENANCE EXPENSES			
301	Electrical/Plumbing/Paint/Solar Supplies	\$	2,554.00
302	Lumber and Materials		1,518.00
303	Grounds Maintenance		614.00
304	Minor Rehabilitation		0.00
SUBTOTAL		\$	0.00
D. CONTRACTOR ADMINISTRATION			
401	Administrative Support Services	\$	57,158.00
402	Travel		150.00
403	Audit		1,250.00
SUBTOTAL		\$	0.00
E. DEBT SERVICE & REPLACEMENT			
501	Reserves	\$	11,500.00
502	Payment		88,136.00
SUBTOTAL		\$	0.00
TOTAL		\$	0.00
		\$	628,741.00

EXHIBIT C

HCD GENERAL TERMS AND CONDITIONS

1. HCD shall provide housing units and related facilities at the location set forth in Exhibit A-1, hereinafter referred to as Housing Center(s). All these housing units and related facilities shall at all times remain legally severable from the real property on which they are placed and the title of these units shall be in HCD. Upon termination of this Agreement, HCD shall have the right to remove these housing units and related facilities without reimbursement to the Contractor.
2. HCD and the Contractor shall comply with applicable State and Federal laws and the Program Regulations, Title 25, Chapter 7, Subchapter 7 (beginning with Section 7600) of the California Code of Regulations (CCR), which govern the operation and maintenance of all migrant agricultural worker housing centers.
3. The Contractor shall provide administrative, fiscal and management services; employ staff; and purchase, rent and use supplies and materials as needed to operate, maintain and protect the Housing Center(s) in accordance with Exhibit B-1.
4. HCD shall designate a period of 180 days each calendar year, unless otherwise extended or reduced by written agreement between HCD and the Contractor, during which the Housing Center(s) shall be open to migratory agricultural workers and their households for occupancy, which period will be referred to as the "on-season." The remaining period of time during each calendar year shall be referred to as the "off-season."
5. The Contractor will permit occupancy of the Housing Center(s) for migratory agricultural workers and their households, in accordance with Section 7611 of the Program Regulations.
6. The Contractor shall collect rent for occupancy of the Housing Center(s) in accordance with rates established by HCD. Rent collected under this provision shall be remitted by the Contractor to HCD on a monthly basis in the manner required by HCD.
7. During the "on-season," all common facilities of the Housing Center(s) subject to this Agreement, other than the housing units, shall be available as directed by HCD for the purpose of child care services, health care services, educational and other services approved by HCD and the Contractor for the benefit of resident migratory agricultural workers and their households.
8. During the "on-season," the residents of the Housing Center(s), after prior notice to the Contractor, shall be permitted to use the common facilities of the Housing Center(s) at any time such facilities are not required for use of programs scheduled by HCD or the Contractor, such as child care programs, health programs or educational programs.

During the "off-season," the Housing Center(s) shall be available for such other use and pursuant to such other conditions as mutually agreed upon in writing by HCD and the Contractor and which is not inconsistent or incompatible with the purposes of this Agreement.

9. The Contractor shall maintain the Housing Center(s) at all times in a safe and sanitary condition and in accordance with standards prescribed by State law, local ordinances, and HCD. The Contractor shall terminate occupancy of a housing unit by any individual for the reasons and pursuant to the procedures set forth in the Program Regulations. Whenever possible, prior to the eviction of any person on these grounds, the Contractor shall use its best efforts to correct the problem through the Resident Council. All proceedings with regard to this paragraph shall be consistent with the Program Regulations.
10. If property costing less than \$150.00 per item is properly acquired with the Agreement funds and is expected at the time of acquisition to be used indefinitely for the purpose for which it was purchased, title to such property shall vest in the Contractor at the time of acquisition. If property acquired with Agreement funds has a cost of \$150.00 or more per item or is not expected at the time of acquisition to be used indefinitely for the purpose for which it was acquired, title to such property shall vest in HCD. If property purchased under this Agreement is diverted to uses inconsistent with the purposes of this Agreement, the Contractor shall be liable for the replacement value of such property. If property with a unit price of \$5,000 or more is acquired or disposed of, the Contractor shall notify HCD within 30 days of that acquisition or disposal so that HCD may properly account for that acquisition or disposal.
11. This Agreement may, be terminated early without cause by the Contractor only upon conclusion of the "on-season" period, provided HCD is given thirty (30) days prior written notice.

This Agreement may be terminated by HCD at any time, upon thirty (30) days prior written notice to the Contractor.

12. In the event that the Contractor terminates this Agreement, the Contractor shall provide HCD or HCD's designee with an option to assume responsibility for the continued operation of the Housing Center(s), under the same terms and conditions contained in this Agreement, until another mutually agreeable location for the housing units and related facilities can be found and the housing units and related facilities are relocated to that site. In no event shall this operation and/or relocation by HCD exceed one year from the date of exercise of said option.

13. The obligations under this Agreement hereby are made expressly contingent upon the availability of projected rental income and other funds for the purposes of this Agreement. It is understood that this Agreement may have been written prior to the beginning of the fiscal year in order to expedite contract processing; however, should adequate funds not be appropriated by the Legislature for the current fiscal year or should other funds be reduced as a result of a court order or otherwise, HCD may exercise its option to cancel this Agreement or, at HCD's sole discretion, reduce the "on-season" period, unless HCD and the Contractor either amend this Agreement or mutually agree to budget reductions and a rescission of a portion of the encumbered funds.
14. The Contractor shall provide HCD with written progress reports at the times and in the format required by HCD.
15. At all reasonable times during the term of this Agreement, representatives of HCD shall have access to the Contractor's premises for the purpose of ensuring compliance with this Agreement. All such visits shall be subject to prior notice to the Contractor.
16. The Contractor shall submit any subcontracts over \$5,000 which are proposed to be entered into by the Contractor to HCD for its prior written approval before entering into same if those subcontracts are wholly or partially financed by HCD funds. Every such subcontract shall include all the relevant terms and conditions of this Agreement and its attachments in addition to other relevant terms and conditions.
17. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy provided therein or by law. The failure of HCD to enforce at any time the provisions of this Agreement, or to require at any time performance by the Contractor of any of the provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of HCD to enforce such provisions.
18. Neither HCD nor the Contractor shall be deemed to be in default in the performance of the terms of this Agreement if either party is prevented from performing the terms of this Agreement by causes beyond its control, including without being limited to: acts of God or the public enemy; interference, rulings or decisions by municipal, Federal, State, or other governmental agencies, boards or commissions; any laws and/or regulations of such municipal, State, Federal, or other governmental bodies; or any catastrophe resulting from flood, fire, explosion, or other causes beyond the control of the defaulting party. If any of the

stated contingencies occur, the party delayed by force majeure shall immediately give the other parties written notice of the cause of delay. The party delayed by

force majeure shall use reasonable diligence to correct the cause of the delay, if correctable, and if the condition that caused the delay is corrected, the party delayed shall immediately give the other parties written notice thereof and shall resume operations under this Agreement.

19. The Contractor shall procure or cause to be procured all permits and licenses necessary to accomplish the work contemplated in this Agreement, and give all notices necessary and incident to the lawful prosecution of the work. The Contractor shall keep informed of, observe, comply with, and cause all of its agents and employees to observe and comply with all prevailing Federal, State, and local laws, and rules and regulations made pursuant to those Federal, State, and local laws, which in any way affect the conduct of the work of this Agreement.
20. HCD, promptly after receiving notice thereof, shall notify the Contractor in writing of the commencement of any claim, suit, or action against the State or its officers or employees for which the Contractor must provide indemnification under this Agreement. To the extent permitted by law, HCD shall authorize the Contractor or its insurer to defend such claims, suits, or actions, and shall provide it or its insurer, at the Contractor's expense, information and assistance both necessary and available for such defense. The failure of HCD to give such notice, information, authorization or assistance, shall not relieve the Contractor of its indemnification obligations. The Contractor shall immediately notify HCD of any claim or action against it which affects or may affect this Agreement, the terms and conditions hereunder, or HCD, and shall take such action with respect to said claim or action which is consistent with the terms of this Agreement and the interests of HCD.
21. If any provision of this Agreement is held invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision of this Agreement and the remainder of this Agreement shall remain in full force and effect unless, at HCD's sole discretion, the invalid portion of this Agreement has a material effect on the interests of the State and HCD, at its sole discretion, determines that the entire agreement is therefore invalid.
22. Except as otherwise provided in this Agreement, any dispute arising under or relating to the performance of this Agreement which is not disposed of by agreement shall be decided by the HCD Contract Manager, who shall reduce decisions to writing in regard to the dispute and shall transmit a copy thereof to the Contractor. The decision of the Contract Manager shall be final and conclusive unless within thirty (30) days from the date of receipt of such a copy, the Contractor transmits to HCD a written appeal. Pending the final decision by

the Director of HCD, the Contractor shall proceed diligently with the performance of the Agreement and in accordance with the written decision of the Contract Manager which is the subject of the Contractor's appeal.

23. **Audit/Retention and Inspection of Records:** The Contractor agrees that the HCD or its delegatee will have the right to review, obtain, and copy all records pertaining to performance of the Agreement. The Contractor agrees to provide HCD or its delegatee with any relevant information requested and shall permit HCD or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts and other material that may be relevant to a matter under investigation for the purpose of determining compliance with Public Contract Code ("PCC") § 10115, et seq., Government Code ("GC") § 8546.7 and 2 CCR §1896.60 et seq. The Contractor further agrees to maintain such records for a period of three (3) years after final payment under the Agreement.

The Contractor shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC § 10115.10.

24. **Insurance:** Unless otherwise approved in writing, the Contractor shall have and maintain in full force and effect during the term of this Agreement liability insurance in an amount not less than \$1,000,000 per occurrence with the State named as an additional insured. Prior to drawdown of funds, the Contractor shall provide to the OMS Program Manager for review and approval a valid certificate of insurance.
25. **Prevailing Wages:** Where funds provided through this Agreement are used for construction work, or in support of construction work, the Contractor shall ensure that the requirements of Chapter 1 (commencing with section 1720) of Part 7 of the Labor Code (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Contractor and a licensed building contractor, the Contractor shall serve as the "awarding body" as that term is defined in the Labor Code. Where the Contractor will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party will serve as the "awarding body." The construction contract and any amendments thereto shall be subject to the

prior written approval of the Department. Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

EXHIBIT D

STATE OF CALIFORNIA
GENERAL TERMS AND CONDITIONS

1. Approval

This Agreement is of no force and effect until signed by both parties.

2. Amendment

No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral understanding or agreement not incorporated in this Agreement is binding on any of the parties.

3. Assignment

This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. Indemnification

The Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers and any other person, firm or corporation furnishing or supplying work services, materials or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Contractor in the performance of this Agreement.

5. Disputes

The Contractor shall continue with the responsibilities under this Agreement during any dispute.

6. Termination for Cause

The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided.

7. Independent Contractor

The Contractor, and the agents and employees of the Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

8. Non-Discrimination Clause

A. During the performance of this Agreement, the Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. The Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

B. The Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

9. Timeliness

Time is of the essence in this Agreement.

10. Governing Law

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

11. Child Support Compliance Act

If this Agreement is in excess of \$100,000, by executing this Agreement, the Contractor acknowledges and agrees to the following:

- A. The Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and
- B. The Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

12. Severability

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

13. Drug-Free Workplace Requirements

The Contractor shall comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and shall provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- B. Establish a Drug-Free Awareness Program to inform employees about: (1) the dangers of drug abuse in the workplace; (2) the Contractor's policy of maintaining a drug-free workplace; (3) any available counseling, rehabilitation and employee assistance programs; and (4) penalties that may be imposed upon employees for drug abuse violations.

- C. Every employee who works on the proposed contract will: (1) receive a copy of the Contractor's drug-free workplace policy statement; and (2) agree to abide by the terms of the Contractor's statement as a condition of employment under this agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and the Contractor may be ineligible for award of any future State agreements if HCD determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Government Code Section 8350 et seq.)

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California:

14. Conflict of Interest

The Contractor needs to be aware of the following provisions regarding current or former state employees. If the Contractor has any questions on the status of any person(s) rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

- A. Current State Employees (Public Contracts Code Section 10410):
1. No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
 2. No officer or employee shall contract on his or her own behalf as an Independent Contractor with any state agency to provide goods or services.

- B. Former State Employees (Public Contracts Code Section 10411):
1. For a two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
 2. For a twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the twelve month period prior to his or her leaving state service.
- C. If the Contractor violates any provisions of above paragraphs, such action by the Contractor shall render this Agreement void. (Public Contracts Code Section 10420)
- D. Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Public Contracts Code Section 10430 (e))

15. Labor Code/Workers' Compensation

The Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and the Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

16. Americans with Disabilities Act

The Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

17. Contractor Name Change

An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change, the State will process the amendment.

18. Corporate Qualifications to Do Business in California

- A. If the Contractor is a corporation, the State may verify that the Contractor is currently qualified to do business in California in order to ensure that all obligations due to the State are fulfilled.
- B. "Doing business" is defined in Revenue and Tax Code ("R&TC") Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the State not be subject to the franchise tax.
- C. Both domestic and foreign corporations (those incorporated outside California) must be in good standing in order to be qualified to do business in California. If the Contractor is a corporation, the State will determine whether the Contractor is in good standing by contacting the Office of the Secretary of State.

19. Resolution

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

20. Air or Water Pollution Violation

Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of the provisions of federal law relating to air or water pollution.

21. Payee Data Record Form Std. 204

This form must be completed by all contractors that are not another state agencies or other government entity.

22. National Labor Relations Board Certification

If the Contractor is receiving federal funds under this Agreement, the Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against the Contractor within the immediately preceding two-year period because of the Contractor's failure to comply with an order of a Federal court, which orders the Contractor to comply with an order of the National Labor Relations Board. (Not applicable to public entities.)

EXHIBIT E

MANAGEMENT AGREEMENT FOR
U.S.D.A. RURAL DEVELOPMENT (RD)
FINANCED MULTIPLE FAMILY HOUSING (MFH) PROJECTS

I. GENERAL:

- A. Appointment and Acceptance. The Owner appoints the Agent as exclusive agent for the management of the property described in Section I.B. of this Exhibit, and the Agent accepts the appointment, subject to the terms and conditions set forth in this Agreement.
- B. Project Description. The property to be managed by the Agent under this Exhibit (the "Project") is a housing development consisting of the land, buildings, and other improvements which make up Project Number 06 2. The project is further described as follows:

Name: Madison Migrant Center

Location: City: Madison
 County: Yolo
 State: CA

No. of Dwelling Units: 88

Type of units: Family Elderly Mixed Congregate

- C. Definitions. As used in this Agreement:
1. "RD," formerly Farmers Home Administration, means U.S.D.A. Rural Development, including any successor agencies and assigns.
 2. "Principal Parties" means the Owner and the Agent.
 3. "Agent", as used throughout this Exhibit, means the person or business entity, including employees at the Agent's office and project site, engaged in the task of providing management of a RD financed MFH project in contractual arrangement with the Owner.
 4. "HCD" means the California Department of Housing and Community Development.
 5. "Owner" means the Office of Migrant Services within HCD.

- D. Identity of Interest. The Agent discloses to the Owner and RD any and all identities of interest that exist or will exist between the Agent and the Owner, suppliers of material and/or services, or vendors in any combination of relationship. Forms RD 3560-30 "Identity of Interest (IOI) Disclosure Certificate," and RD 3560-31, "Identity of Interest (IOI) Qualification Form," completed by the Agency as "applicant," are attached and made part of this Agreement. (Revised 2-05)
- E. RD and HCD Requirements. In performing its duties under this Exhibit, the Agent will comply with all relevant requirements of RD and HCD. RD and HCD requirements include preparation of forms and reports in the format of prescribed RD and HCD forms and exhibits.
- F. Basic Information. As soon as possible, the Owner will furnish the Agent with a complete set of "as-built" plans and specifications and copies of all guarantees and warranties relevant to construction, fixtures, and equipment. With the aid of this information and inspection by competent personnel, the Agent will become thoroughly familiar with the character, location, construction, layout, plan and operation of the Project, and especially with the physical plant.
- G. Compliance with Governmental Orders. The Agent will take such action as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Project, whether imposed by Federal, State, county or municipal authority subject, however, to the limitation stated in Paragraph IV.D. of this Exhibit with respect to litigation and repairs. Nevertheless, the Agent shall take no action so long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirement. The Agent will notify the Owner in writing of all notices of such orders or other requirements, within seventy-two (72) hours from the time of their receipt.
- H. Nondiscrimination. In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any Federal, State or local Fair Housing law prohibiting discrimination in housing on the grounds of race, color, religion, sex, familial status, national origin, or handicap. Other nondiscrimination provisions include Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, as they relate to the RD multi-family housing program.

- I. Fidelity Coverage. The Agent agrees to furnish, at its own expense, fidelity coverage to the Owner, with copy to the RD Servicing Office on the employees of the Agent who are entrusted with the receipt, custody, and disbursement of any project monies, securities, or readily saleable property other than money or securities. The minimum coverage of \$40,000.00 will be provided. The Agent will obtain coverage from a company licensed to provide coverage in the project locality. Coverage will be in force to coincide with the assumption of fiscal responsibility by the Agent until that responsibility is relinquished.

Endorsement listing RD projects separate from other projects or operations will be obtained and made part of the coverage policy or bond. The other terms and conditions of the coverage, and the surety thereon, will be subject to the requirements and approval of the Owner.

- J. Bids, Discounts, Rebates, etc. With prior approval of the Owner, the Agent will obtain contracts, materials, supplies, utilities, and services on the most advantageous terms to the Project, and is authorized to solicit bids, either formal or informal, for those items which can be obtained from more than one source. The Agent will secure and credit to the Owner all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions on the Owner's behalf.

II. MANAGEMENT PLAN:

- A. Description. A copy of the Management Plan for the Project, which provides a comprehensive and detailed description of the policies and procedures to be followed in the management of the Project, will be provided to the Agent prior to the time of Agent's execution of this Exhibit.
- B. Relationship with Management Plan. The Agent shall conduct its management activities in accordance with the Policies and Procedures set forth in the Management Plan. In addition, the Agent will also carry out the tasks and responsibilities set forth in Paragraph V of this Exhibit.
- C. Division of Duties and Common Expense. An identification of duties and supervisory relationship for project site staff and Agent's office staff are described in the Management Plan as is the pro rata division of singularly incurred operating expense common to the Agent and the Owner.

III. BUDGET:

- A. Preparation. The Agent shall prepare an original project budget for submission to the Owner and the Owner will forward to RD for approval. For each subsequent fiscal year the Agent shall prepare a new budget.
- B. Budget Categories. The budget shall be prepared using the formats and categories of RD Form 3560-7, "Multiple Family Housing Project Budget" by the Owner.

IV. AGENT'S AUTHORIZATIONS:

The Owner authorizes the Agent to:

- A. Operate the project according to the Owner's Management Plan and in compliance with the Owner's loan agreement with RD, the HCD Standard Agreement, and applicable RD and HCD regulations and guidelines.
- B. Operate and maintain the project within reasonable tolerance (as defined by RD and HCD) of the expense category subtotals in the project budget.
- C. Purchase all material, equipment, tools, appliance, supplies, and services necessary for proper maintenance and repair of the project as stipulated by the Owner in the Management Plan, project budget, and/or other form of written documentation.
- D. Notwithstanding any of the foregoing provisions or any similar provision that follow, the prior written approval of the Owner will be required for any expenditure which exceeds \$5,000.00 in any one instance for litigation involving the project, or labor, materials, or otherwise in connection with the maintenance and repair of the project. This limitation is not applicable for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or that are required to avoid suspension of any necessary service to the project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.
- E. Represent the Owner in specific matters related to management of the project such as representing the Owner's interest at tenant grievance hearings.

V. AGENT'S OBLIGATIONS:

- A. Management Input During and After RD and/or HCD Processing. The Agent will advise and assist the Owner with respect to management planning and input during RD loan processing and subsequent review. The Agent's specific tasks will be:
1. Participation in any conference with RD and/or HCD officials involving project management.
 2. Preparation to be submitted by Owner of Form RD 3560-7 as a quarterly report and HCD Monthly Operating and Rent Collection Reports throughout the period from initial occupancy after RD loan closing until such time as no longer required by RD or HCD.
 3. Participation in the on-site final inspection of the Project, required by RD prior to initial occupancy.
 4. Continuing review of the Management Plan for the purpose of keeping the Owner advised of necessary or desirable changes.
- B. Liaison with Architect and General Contractor. At the direction of the Owner during the planning and construction phases, the Agent will maintain direct liaison with the architect and general contractor, in order to:
1. Coordinate management concerns with the design and construction of the Project;
 2. To facilitate completion of any corrective work; and
 3. To facilitate the Agent's responsibilities for arranging utilities and services pursuant to Paragraph V.J of this Management Agreement. The Agent will keep the Owner advised of all significant matters of this nature.
- C. Marketing. The Agent will market the rental units according to the Management Plan, observe all requirements of the Affirmative Fair Housing Marketing Plan, and maintain records of the marketing activity for compliance review purposes.

- D. Rentals. The Agent will offer for rent and will endeavor to rent the dwelling units in the Project. The following provisions will apply:
1. The Agent will make preparations for initial rent-up, as described in the Management Plan.
 2. The Agent will follow the tenant selection policy described in the Management Plan.
 3. The Agent will show the premises and available units to all prospective tenants without regard to race, color, national origin, sex, religion, familial status, handicap or age; and will provide for reasonable accommodation to individuals with handicaps.
 4. The Agent will take and process all applications received for rentals. If an application is rejected, the Agent will inform the applicant in writing of the reason for rejection. The rejected application, with the reason for rejection noted thereon, will be kept on file until a compliance review has been conducted. If the rejection is because of information obtained from a Credit Bureau, the source of the report must be revealed to the applicant according to the Fair Credit Reporting Act. A current list of prospective tenants will be maintained.
 5. The Agent will prepare all dwelling leases, parking permits, and will execute the same in its name, identified thereon as Agent for the Owner. The terms of all leases will comply with the relevant provisions of RD regulations, HCD regulations and State law. Dwelling leases will be in a form approved by the RD and HCD.
 6. The Owner will furnish the Agent with rents and income report forms required by RD and HCD, showing rents as appropriate for dwelling units, other charges for facilities and services, income data relevant to determinations of tenant eligibility and tenant rents. In no event will the rents and other charges be exceeded.
 7. The Agent will counsel all prospective tenants regarding eligibility and will prepare and verify eligibility certifications in accordance with RD and HCD requirements.

- E. Reports. The Agent will furnish information (including occupancy reports) as may be requested by the Owner, RD and/or the Office of Inspector General, and HCD from time to time with respect to the Project's financial, physical, or operational condition. The Agent will also prepare and submit:

Form RD 3560-7 "Multiple Family Housing Project Budget"

The Agent will assist the Owner in initiating or completing all additional reporting forms and data prescribed by RD affecting the operation and maintenance of the project.

- F. Collection of Rents, Security Deposits and Other Receipts. The Agent will endeavor to collect when due all rents, charges, and other amounts receivable on the Owner's account in connection with the management and operation of the Project. Such receipts will be deposited immediately in the project's General Operating Account with: _____, whose deposits are insured by an agency of the Federal Government. The Agent will collect, deposit, and disburse security deposits, if required, in compliance with any HCD regulations or State laws governing tenant security deposits. Security deposits will be deposited by the Agent in a separate account, at a federally-insured institution. This account will be carried in the Owner's name _____ and _____ designated _____ of _____ record as: " _____ Security Deposit Account."
- G. Accounting System. The Agent must develop a systematic method to record the business transactions of the Project that appropriately reflects the complexity of Project operations and the Owner's requirements. The Agent may be required to implement and use a bookkeeping and accounting system acceptable to RD and HCD. The accounts described in Paragraph VI of this Exhibit, as a minimum, will be established and regularly maintained by the Agent.
- H. Enforcement of leases. The Agent will endeavor to ensure full compliance by each tenant with the terms of the lease. Voluntary compliance will be emphasized. The Agent, using the services of local social service agencies when available, will counsel tenants and make referrals to community agencies in cases of financial hardship or other circumstances deemed appropriate by the Agent. Involuntary termination of tenancies should be avoided to the maximum extent consistent with sound management of the Project. Nevertheless, and subject to the relevant procedures prescribed in the Management Plan, the Agent may initiate action to terminate any tenancy when, in the Agent's judgment, there is

material noncompliance with the lease or other good cause as prescribed by RD and HCD regulations for such termination.

The Tenant must be properly notified of his/her right to appeal the proposed action according to RD and HCD regulations. Attorney's fees and other necessary costs incurred in connection with such actions will be paid out of the General Operating Account when approved in advance by the Owner as Project expenses within the itemized limit of the Project budget.

- I. Maintenance and repair. The Agent will endeavor to maintain and repair the Project in accordance with the Management Plan and local codes, and keep it in a condition acceptable to the Owner and RD at all times. This will include, but is not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, energy conservation measures and practices; and other such maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained herein. Incident thereto, the following provisions will apply:
 1. Special attention will be given to preventive maintenance, and to the greatest extent feasible, the services of regular maintenance employees will be used.
 2. Subject to the Owner's prior written approval, the Agent will contract with qualified independent contractors for the maintenance and repair of air-conditioning, heating systems, and elevators, and for extraordinary repairs beyond the capability of regular maintenance employees. Any identity of interest will be identified in accordance with Attachment A of this Exhibit.
 3. The Agent will systematically receive and promptly investigate all service requests from tenants, take such action as may be justified, and keep records of the same. Emergency requests will be received and services provided on a twenty-four (24) hour basis. Serious complaints will be reported to the Owner after investigation.
 4. The Agent will advise the Owner of any cost-effective and adaptable energy conservation measures or practices that should be used in the Project. The Agent will encourage their use and will assist the Owner during any installation of these measures or institution of practices.

5. The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance and repair with prior written approval of the Owner.
 - J. Utilities and Services. In accordance with the Owner's Management Plan, the Agent will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone service.
 - K. Insurance. The Owner will inform the Agent of insurance to be carried with respect to the Project and its operations, and the Agent will cause such insurance to be placed and kept in effect at all times. The Agent will pay premiums out of the General Operating Account, and premiums will be treated as operating expenses. All insurance will be placed with companies, on conditions, in amounts, and with beneficial interests appearing thereon as shall be acceptable to the Owner and RD provided that the same will include public liability coverage, with the Agent designated as one of the insured, in amounts acceptable to the Agent as well as the Owner and RD. The Agent will investigate and furnish the Owner with full reports on all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers in connection therewith.
 - L. Taxes, Fees and Assessments. The Agent shall pay all taxes, assessments and government fees promptly when due and payable. The Agent shall evaluate local property taxes to insure they bear a fair relationship to the Project value and if they do not, at the direction of the Owner, appeal such taxes on behalf of the Owner or assist the Owner in the appeal, whichever is required by local jurisdiction or is appropriate.
 - M. Employees and/or Services. The Agent will employ persons and/or services to perform duties and responsibilities at the Project site as described in the Management Plan. Compensation of such persons and/or services will be paid as a direct expense to the Project as specified in the Management Plan and this Exhibit. The Agent will employ sufficient resources (staff and/or services) within the Agent's operation to fulfill Agent's obligation to the Owner under the terms of this Exhibit.
- VI. **PROJECT ACCOUNTS:** The Agent will maintain and safeguard the Owner's Project financial accounts and tenant security deposit accounts according to the current requirements set forth in Paragraph XIII.B.2 of Exhibit B of Subpart C of Part 1930, which is part of the "Multiple Housing Management Handbook".

VII. AGENT'S COMPENSATION, TENURE AND IDENTIFICATION:

- A. Agent's Compensation. The Agent will be compensated for its services for providing management described under this Exhibit, and the Owner's Management Plan, by monthly fees, to be paid from the General Operating Account and treated as a project operation and maintenance expense. Such fees will be payable on the first day of each month for the preceding month.
- B. Term of Agreement. This Exhibit shall be in effect for the same period as the Agreement, subject, however, to the following conditions:
1. This Exhibit will not be binding upon the Principal Parties until approved by RD.
 2. Only upon conclusion of the on-season period, this Exhibit may be terminated by the mutual consent of the Principal Parties, provided that at least thirty (30) days advance written notice thereof is given to either Principal Party and reasons for the termination are submitted to RD.
 3. In the event that a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event that either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Exhibit without notice to the other, provided that a prompt written notice with reasons given for such termination is submitted to RD.
 4. It is expressly understood and agreed by and between the Principal Parties that the State Director may terminate this Exhibit with cause upon the issuance of a 30-day written notice of cancellation to each of the Principal Parties. It is further understood and agreed that no liability will attach to either of the Principal Parties in the event of such termination, to the extent permitted by State law.
 5. Upon termination of this Exhibit, the Agent will submit to the Owner all Project books and records and any financial statements required by the RD. After the Principal Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Owner will promptly reimburse the Agent all sums due after deduction of any sums or damages due the Owner, in form and principal amount satisfactory to the Agent, against any obligations or liabilities which the Agent may properly have incurred on behalf of the Owner hereunder.

C. Agent's Indemnification. Notwithstanding any provision of this Exhibit or any obligation of Agent hereunder, it is understood and agreed:

1. that Owner has assumed and will maintain its responsibility and obligation throughout the term of this Exhibit for the finances and the financial stability of the Project, to the extent that funds are appropriated to the Owner by the legislature for this purpose; and
2. that Agent shall have no obligation, responsibility or liability to fund authorized project costs, expenses, or accounts other than those funds generated by the Project itself or provided to the Project or to Agent by Owner. In accordance with the foregoing, Owner agrees that Agent shall have the right at all times to secure payment of its compensation, as provided for under Paragraph VII.A of this Exhibit, from the Operating and Maintenance Account, immediately when such compensation is due and without regard to other Project obligations or expenses provided the Agent has satisfactorily discharged all duties and responsibilities under this Exhibit. Moreover, Owner, to the extent permitted by State law, hereby indemnifies Agent and agrees to hold it harmless with respect to Project costs, expenses, accounts, liabilities and obligations during the term of this Exhibit and further agrees, to the extent permitted by State law, to guarantee to Agent the payment of its compensation under Paragraph VII.A of this Exhibit during the term of this Exhibit to the extent that the Project's Operating and Maintenance Account is insufficiently funded for this purpose. Failure of Owner at any time to abide by and to fulfill the foregoing shall be a breach of this Exhibit entitling Agent to obtain from Owner, upon demand, and to the extent permitted by State law, full payment of all compensation owed to Agent through the date of such breach and entitling Agent, at its option, to terminate this Exhibit forthwith.

VIII. INTERPRETIVE PROVISIONS

- A. This Agreement and its Exhibits constitutes the entire Agreement between the Owner and the Agent with respect to the management and operation of the Project. Changes to this Agreement will not be valid unless made by supplemental written agreement approved by RD.
- B. This Exhibit has been executed in several counterparts, each of which shall constitute a complete original Exhibit, which may be introduced in evidence or used for any other purpose without production of any of the other counterparts.

- C. This Exhibit is NOT in full force and effect unless and until concurred with by RD.
- D. At all times, this Exhibit will be subject and subordinate to all rights of RD, and will work to the benefit of and constitute a binding obligation upon the Principal Parties and their respective successors and assigns. To the extent that this Exhibit confers rights upon the consenting parties, it will be deemed to work to their benefit, but without liability to either, in the same manner and work with the same effect as though the consenting parties were primary parties to this Exhibit.

The Principal Parties (by their duly authorized officers) have executed this Management Agreement on the date first above written.

Owner:	<u>Department of Housing and Community Development</u>	Agent:	Housing Authority, County of Yolo
By:	_____	By:	_____
Title:	<u>OMS Program Manager</u>	Title:	<u>Executive Director</u>
Witness:	_____	Witness:	_____

As lender or insurer of funds to defray certain costs of the project and without liability for any payments hereunder, the Rural Development Services hereby concurs with this Management Agreement.

U.S.D.A. RURAL DEVELOPMENT

BY: _____
TITLE: _____
DATE: _____

Attachments: Identity of Interest Disclosure Certificate
Identity of Interest Qualification Form