

PROPERTY MANAGEMENT AND OPERATING AGREEMENT

RIVERSIDE HOUSING DEVELOPMENT CORPORATION

THIS PROPERTY MANAGEMENT AND OPERATING AGREEMENT, (the "Agreement") is made and entered into as of _____, 2024 ("Effective Date"), by and between the Housing Authority of the City of Riverside, a public body corporate and politic ("Authority"), and Riverside Housing Development Corporation, a California non-profit, public benefit corporation (the "Operator").

RECITALS

A. The Authority owns property consisting of one hundred and four (104) affordable rental units referred to herein as the "Properties." A detailed list of the Properties, including unit count, unit mix, and applicable funding sources is attached hereto and incorporated herein as Exhibit "A."

B. Operator desires to provide property management and operational services for the Properties.

NOW, THEREFORE, in consideration of the foregoing, the parties hereby agree as follows:

AGREEMENT

1. **Scope of Services.** The Authority agrees to retain and does hereby retain Operator and Operator agrees to provide property management and operational services for the Properties, as more particularly described in Exhibit "B," Scope of Services ("Services"), attached hereto and incorporated herein, in conjunction with Property Management for Affordable Housing (RFP No. 2262) ("Project").

2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect for four (4) years from the Effective Date, unless otherwise terminated pursuant to the provisions herein. The term may be extended for two (2) additional one (1) year periods thereafter by a written amendment to this Agreement signed by the authorized representatives of both parties.

3. **Compensation.** Operator shall perform the Services under this Agreement for the total sum not to exceed One Million Seventy-One Thousand Five Hundred One Dollars (\$1,071,501.00), payable in accordance with the Management Fee Schedule set forth in Exhibit "C."

4. **Notices.** Any notices required to be given, hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the party to be served as follows:

To Authority

Housing Authority
City of Riverside
Attn: Agripina Neubauer
3900 Main Street
Riverside, CA 92522

To Operator

Riverside Housing Development
Corporation
Attn: Miranda Hundley
4250 Brockton Avenue
Riverside, CA 92501

5. **Prevailing Wage.** If applicable, Operator and all subcontractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination is available on-line at www.dir.ca.gov/dlsr/DPreWageDetermination.htm and is referred to and made a part hereof; the wage rates therein ascertained, determined, and specified are referred to and made a part hereof as though fully set forth herein.

6. **Contract Administration.** A designee of the Authority will be appointed in writing by the Executive Director or Department Director to administer this Agreement on behalf of the Authority and shall be referred to herein as Contract Administrator.

7. **Standard of Performance.** While performing the Services, Operator shall exercise the reasonable professional care and skill customarily exercised by reputable members of Operator's profession practicing in the Metropolitan Southern California Area, and shall use reasonable diligence and best judgment while exercising its professional skill and expertise.

8. **Personnel.** Operator shall furnish all personnel necessary to perform the Services and shall be responsible for their performance and compensation. Operator recognizes that the qualifications and experience of the personnel to be used are vital to professional and timely delivery of the Services. The key personnel listed in Exhibit "D" attached hereto and incorporated herein by this reference and assigned to perform portions of the Services shall remain assigned through completion of the Services, unless otherwise mutually agreed by the parties in writing, or caused by hardship or resignation in which case substitutes shall be subject to Authority approval.

9. **Assignment and Subcontracting.** Neither party shall assign any right, interest, or obligation in or under this Agreement to any other entity without prior written consent of the other party. In any event, no assignment shall be made unless the assignee expressly assumes the obligations of assignor under this Agreement, in a writing satisfactory to the parties. Operator acknowledges that any assignment may, at the Authority's sole discretion, require Executive Director and/or Housing Authority Board approval. Operator shall not subcontract any portion of the work required by this Agreement without prior written approval by the responsible Authority Contract Administrator. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including without limitation, the insurance obligations set forth in Section 12. Operator acknowledges and agrees that the Authority is an intended

beneficiary of any work performed by any subcontractor for purposes of establishing a duty of care between any subcontractor and the Authority.

10. **Independent Contractor.** In the performance of this Agreement, Operator and Operator's employees, subcontractors and agents, shall act in an independent capacity as independent contractors, and not as officers or employees of the City of Riverside or the Housing Authority of the City of Riverside. Operator acknowledges and agrees that neither the City nor the Authority has any obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to Operator or to Operator's employees, subcontractors, and agents. Operator, as an independent contractor, shall be responsible for any and all taxes that apply to Operator as an employer.

11. **Indemnification.** Except as to the sole negligence or willful misconduct of the Authority, Operator agrees to indemnify, protect and hold harmless the Authority and the Authority's employees, officers, managers, agents and board members, and the City and the City's employees, officers, managers, agents, and councilmembers (the "Indemnified Parties") from and against any claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fine and penalties, liabilities or losses of any kind or nature whatsoever whether actual, threatened or alleged, which arise out of, pertain to, or relate to, or are a consequence of, or are attributable to, or are in any manner connected with the performance of the Services, work, activities, operations or duties of Operator, or anyone employed by or working under Operator or for services rendered to Operator in the performance of this Agreement, notwithstanding that the Authority may have benefited from its work or services. This indemnification provision shall apply to any acts, omissions, negligence, recklessness, or willful misconduct, whether active or passive, on the part of Operator or anyone employed or working under Operator.

12. **Insurance.**

12.1 **General Provisions.** Prior to the Authority's execution of this Agreement, Operator shall provide satisfactory evidence of, and shall thereafter maintain during the term of this Agreement, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by the City's Risk Manager or City Attorney, or a designee, unless such modification is prohibited by law.

12.1.1 **Limitations.** These minimum amounts of coverage shall not constitute any limitation or cap on Operator's indemnification obligations under Section 11 hereof.

12.1.2 **Ratings.** Any insurance policy or coverage provided by Operator or subcontractors as required by this Agreement shall be deemed inadequate and a material breach of this Agreement, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

12.1.3 **Cancellation.** The policies shall not be canceled unless thirty (30) days' prior written notification of intended cancellation has been given to the Authority by certified or registered mail, postage prepaid.

12.1.4 **Adequacy.** The Authority and the City, and their officers, employees, and agents make no representation that the types or limits of insurance specified to be carried by Operator pursuant to this Agreement are adequate to protect Operator. If Operator believes that any required insurance coverage is inadequate, Operator will obtain such additional insurance coverage as Operator deems adequate, at Operator's sole expense.

12.2 **Workers' Compensation Insurance.** By executing this Agreement, Operator certifies that Operator is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Operator shall carry the insurance or provide for self-insurance required by California law to protect said Operator from claims under the Workers' Compensation Act. Prior to Authority's execution of this Agreement, Operator shall file with the Authority either 1) a certificate of insurance showing that such insurance is in effect, or that Operator is self-insured for such coverage, or 2) a certified statement that Operator has no employees, and acknowledging that if Operator does employ any person, the necessary certificate of insurance will immediately be filed with the Authority. Any certificate filed with the Authority shall provide that the Authority will be given ten (10) days' prior written notice before modification or cancellation thereof.

12.3 **Commercial General Liability and Automobile Insurance.** Prior to the Authority's execution of this Agreement, Operator shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Operator against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Operator. The Authority and the City, and their officers, employees and agents, shall be named as additional insureds under Operator's insurance policies.

12.3.1 Operator's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000.

12.3.2 Operator's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of Operator's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Operator's performance of this Agreement, which vehicles shall include, but are not limited to, Operator owned vehicles, Operator leased vehicles, Operator's employee vehicles, non-Operator owned vehicles and hired vehicles.

12.3.3 Prior to the Authority's execution of this Agreement, copies of insurance policies or original certificates along with additional insured endorsements acceptable to the Authority evidencing the coverage required by this Agreement, for both commercial general and automobile liability insurance, shall be filed with the Authority and shall include the Authority and the City and their officers, employees and agents, as additional insureds. Said policies shall be in the usual form of commercial general and automobile liability insurance policies, but shall include the following provision:

It is agreed that the Housing Authority of the City of Riverside and the City of Riverside, and their officers, employees and agents, are added as additional insureds under this policy, solely for work done by and on behalf of the named insured for the Housing Authority of the City of Riverside.

12.3.4 The insurance policy or policies shall also comply with the following provisions:

- a. The policy shall be endorsed to waive any right of subrogation against the Authority and the City and their subcontractors, employees, officers and agents for services performed under this Agreement.
- b. If the policy is written on a claims-made basis, the certificate should so specify and the policy must continue in force for one year after completion of the services. The retroactive date of coverage must also be listed.
- c. The policy shall specify that the insurance provided by Operator will be considered primary and not contributory to any other insurance available to the Authority or the City and Endorsement No. CG 20010413 shall be provided to the Authority.

12.4 **Errors and Omissions Insurance.** Prior to the Authority's execution of this Agreement, Operator shall obtain, and shall thereafter maintain during the term of this Agreement, errors and omissions professional liability insurance in the minimum amount of \$1,000,000 to protect the City from claims resulting from the Operator's activities.

12.5 **Subcontractors' Insurance.** Operator shall require all of its subcontractors to carry insurance, in an amount sufficient to cover the risk of injury, damage or loss that may be caused by the subcontractors' scope of work and activities provided in furtherance of this Agreement, including, but without limitation, the following coverages: Workers Compensation, Commercial General Liability, Errors and Omissions, and Automobile liability. Upon the Authority's request, Operator shall provide the Authority with satisfactory evidence that subcontractors have obtained insurance policies and coverages required by this section.

13. Operator's Responsibilities.

13.1 Operating Account/Obligations. Subject to the Authority's approval, Operator shall establish a segregated bank account ("Operating Account") with a California state bank approved by the City for the purpose of maintaining funds available for Operating Obligations.

The term "Operating Obligations" shall mean the aggregate of all of the following obligations incurred by Operator, or any agent on its behalf, in connection with or arising from the performance of the Services set forth in Exhibit "B": (i) management fees and reimbursable expenses incurred by Operator; (ii) advertising and marketing expenses, and leasing fees and commissions; (iii) legal, accounting, and other professional and consulting fees and disbursements; (iv) accounts payable to contractors and vendors providing labor, material, services and equipment to the Properties; (v) premiums for insurance paid with respect to the Properties or the operations thereof (vi) tenant improvements and property and equipment maintenance, repairs and replacements (including property used in connection with the Properties) and segregated reserves therefor; (vii) funds reserved for contingent or contested liabilities, insurance premiums, and other amounts not payable on a monthly basis; (ix) service contracts and public utility charges; (x) personnel administration charges and pre-employment screening and testing costs; (xi) on-site payroll costs including salary and wages, incentive bonuses, holiday and vacation pay, insurance benefits, worker's compensation premiums or allocable costs for self-insurance of such matters, pension and health and welfare payments, payroll taxes and other governmental assessments so long as such salary and wage costs and benefits conform to the Approved Operating Budget; and (xii) costs of credit reports, bank charges and like matters.

The payment of Operating Obligations shall constitute "Operating Expenditures."

13.2 Proposed Management Plans. Within thirty (30) days after the date of this Agreement, Operator shall develop and prepare a "Marketing Plan," "Operating Budget," and "Capital Budget" to be submitted to the Authority for review (collectively, the "Management Plans"), which describe in detail the plans for the promotion, operation, repair and maintenance of the Properties for the first year of the term. Subsequent proposed Management Plans shall be submitted to the Authority for approval sixty (60) days prior to the beginning of the next year and each year thereafter. The Authority will review the proposed Management Plans and will consult with the Operator prior to the commencement of the forthcoming year in order to agree on an "Approved Marketing Plan," "Approved Operating Budget," and "Approved Capital Budget" (hereafter "Approved Management Plans"). The Authority's approval or rejection of Management Plans shall be within the sole reasonable discretion of the Authority.

13.3 Approved Marketing Plan. The Approved Marketing Plan shall establish rental rates, rental terms, tenant concessions, and implement marketing strategies for the Properties, subject to the Approved Operating Budget. Operator shall supervise the preparation of all advertising layouts, brochures, campaigns, and model apartments. Advertising and promotional materials shall be prepared in full compliance with federal and state, including fair housing laws. Operator shall not use the Authority's name in such advertising literature without the Authority's express written approval.

13.4 Approved Operating Budget. The Approved Operating Budget shall constitute an authorization for Operator to expend the amounts approved from the Operating Account; however, no single expenditure made for these purposes shall exceed the Approved Operating Budget by more than five percent (5%) by line item, or Five Thousand Dollars (\$5,000.00) in the aggregate, without the Authority's written authorization. Operator shall exercise its best reasonable efforts to ensure that the actual costs of maintaining and operating the Properties shall not exceed the Approved Operating Budget, and Operator shall explain significant year-to-date budget variances to the Authority each month. In cases of emergency, Operator may make expenditures for repairs which exceed the aforementioned spending limit without prior approval if it is necessary to prevent imminent damage to property or injury to persons. Operator will promptly notify the Authority of any such emergency following such emergency repair, describing the cause of such emergency, the repairs undertaken in connection with such emergency, and the cost of such emergency repairs.

13.5 Approved Capital Budget. The Approved Capital Budget shall constitute an authorization for Operator to expend the amounts approved for capital improvements. All products and services procured by Operator for capital improvements shall require solicitation and/or analysis of competitive proposals, bids, or price quotations, in accordance with the City of Riverside's Purchasing Resolution, No. 23256, or in the case of a design-build contract, Chapter 1.07 of the Riverside Municipal Code. Operator shall be responsible for capital expenses and shall pay such expenses with surplus funds in the Operating Account, in accordance with the Approved Capital Budget. Operator must first obtain written approval of the Authority before incurring any costs in excess of the Approved Capital Budget on a line item basis. Operator shall ensure that all capital improvement work is performed by licensed general contractors and subcontractors and that all capital improvements are constructed in compliance with the requirements of the ADA.

13.6 Leasing. Operator shall exercise its reasonable efforts to obtain and keep tenants in the Properties. Operator is authorized on behalf of the Authority, subject to the leasing parameters set forth in the Approved Marketing Plan, to negotiate, prepare, present and execute all leases, including all renewals and extensions of leases and modifications of existing leases. The standard lease forms, as approved by the Authority, shall be used with such non-material modifications as Operator shall reasonably approve.

13.7 Security Deposits. Operator is authorized to establish requirements for security deposits, in accordance with the Approved Marketing Plan, and shall collect and refund security deposits in accordance with laws and the terms of each tenant's lease. Operator will deposit security deposits into an account approved by the Authority ("Security Deposit Account"). When Operator deems appropriate, Operator may off-set tenant charges with forfeited security deposit amounts and disburse any surplus security deposits from the Security Deposit Account.

13.8 Collection of Rents and Enforcement of Leases. Operator shall exercise its reasonable efforts to promptly collect all rents and other charges for services provided in connection with the use or occupancy of the Properties. All monies collected shall be promptly (i.e., daily) deposited in the Operating Account in trust. Operator shall be authorized to institute the following actions: (a) terminate tenancies, (b) sign and serve such notices as are deemed

necessary by Operator, (c) institute and prosecute actions to evict tenants, and recover rents and other sums due, and (d) settle, compromise and release such actions or suits or reinstate such tenancies. Attorney's fees, filing fees, court costs, and other reasonable expenses incurred in connection with such actions and not recovered from tenants shall be paid out of the Operating Account.

14. **Business Tax.** Operator understands that the Services performed under this Agreement constitutes doing business in the City of Riverside, and Operator agrees that Operator will register for and pay a business tax pursuant to Chapter 5.04 of the Riverside Municipal Code and keep such tax certificate current during the term of this Agreement.

15. **Time of Essence.** Time is of the essence for each and every provision of this Agreement.

16. **Authority's Right to Employ Other Operators.** The Authority reserves the right to employ other operators in connection with the Project. If the Authority is required to employ another operator to complete Operator's work due to the failure of the Operator to perform or due to the breach of any of the provisions of this Agreement, the Authority reserves the right to seek reimbursement from Operator.

17. **Accounting Records.** Operator shall maintain complete and accurate records with respect to costs incurred under this Agreement. All such records shall be clearly identifiable. Operator shall allow a representative of the Authority during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Operator shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of five (5) years from the date of final payment under this Agreement.

18. **Data Privacy.** Operator acknowledges that the performance of this Agreement involves the handling of personal information (as defined in California Civil Code Section 1798.3) of housing applicants/tenants. With respect to the handling of this personal information ("Data"), Operator agrees as follows:

18.1 Procedures and Practices. Operator shall implement and maintain reasonable security procedures and practices with respect to any Data disclosed to Operator in the course of performing this Agreement.

18.2 Purpose of Use. Operator shall use Data only for the purposes described in this Agreement and shall not use Data for personal gain or profit of any individual. Nothing in this Agreement may be construed to allow the maintenance, use, disclosure, or sharing of Data in a manner not allowed by privacy law.

18.3 Secured Storage. Operator shall keep all Data in a location physically and electronically secure from unauthorized access. Data shall be stored and processed in a way that unauthorized persons cannot retrieve nor alter Data by means of a computer, remote terminal, or other means.

18.4 Secured Transfer. Operator shall use a secure, mutually agreed upon means and schedule for handling and transferring Data.

18.5 Employees. Operator agrees to restrict distribution of Data to employees trained in the management of secure, confidential data (“Qualified Personnel”), with the understanding that Data will be released only for the purposes established in this Agreement. Operator agrees to require and maintain an appropriate confidentiality agreement from all Qualified Personnel pursuant to this Agreement.

18.6 Destruction and Return of Documents/Data upon Termination. Operator shall return all original beneficiary documents (including but not limited to any applications and supporting documentation provided by applicants) to the City upon the termination of this Agreement and destroy duplicate paper or digital copies. Operator shall not retain, share, or use beneficiary documents, or Data, after the termination of this Agreement.

18.7 No Disclosure to Nonparties. Operator shall not redisclose any Data to any other requesting individuals, agencies, or organizations other than the Authority.

18.8 Reporting Obligation. Operator shall notify the Authority within twenty-four (24) hours of Operator’s determination that a security breach has occurred with regard to any Data disclosed to Operator in the course of performing the Agreement and shall conduct such investigation and provide such notice as required by law in the event of such breach.

19. **Conflict of Interest.** Operator, for itself and on behalf of the individuals listed in Exhibit “D,” represents and warrants that by the execution of this Agreement, they have no interest, present or contemplated, in the Project affected by the above-described Services. Operator further warrants that neither Operator, nor the individuals listed in Exhibit “D” have any real property, business interests or income interests that will be affected by this project or, alternatively, that Operator will file with the Authority an affidavit disclosing any such interest.

20. **Solicitation.** Operator warrants that Operator has not employed or retained any person or agency to solicit or secure this Agreement, nor has it entered into any agreement or understanding for a commission, percentage, brokerage, or contingent fee to be paid to secure this Agreement. For breach of this warranty, the Authority shall have the right to terminate this Agreement without liability. The remedies specified in this section shall be in addition to and not in lieu of those remedies otherwise specified in this Agreement.

21. **General Compliance With Laws.** Operator shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Operator, or in any way affect the performance of services by Operator pursuant to this Agreement. Operator shall at all times observe and comply with all such laws, ordinances and regulations, and shall be solely responsible for any failure to comply with all applicable laws, ordinances and regulations. Operator represents and warrants that Operator has obtained all necessary licenses to perform the Scope of Services and that such licenses are in good standing.

Operator further represents and warrants that the services provided herein shall conform to all ordinances, policies and practices of the City of Riverside.

22. **Waiver.** No action or failure to act by the Authority shall constitute a waiver of any right or duty afforded the Authority under this Agreement, nor shall any such action or failure to act constitute approval of or acquiescence in any breach thereunder, except as may be specifically provided in this Agreement or as may be otherwise agreed in writing.

23. **Amendments.** This Agreement may be modified or amended only by a written agreement and/or change order executed by the Operator and the Authority.

24. **Termination.** The Authority, by notifying Operator in writing, shall have the right to terminate any or all of Operator's services and work covered by this Agreement at any time. In the event of such termination, Operator may submit Operator's final written statement of the amount of Operator's services as of the date of such termination based upon the ratio that the work completed bears to the total work required to make the report complete. In ascertaining the work actually rendered through the termination date, the Authority shall consider completed work, work in progress and complete and incomplete reports and other documents only after delivered to the Authority.

24.1 Other than as stated below, the Authority shall give Operator thirty (30) days' prior written notice prior to termination.

24.2 The Authority may terminate this Agreement upon fifteen (15) days' written notice to Operator, in the event:

24.2.1 Operator substantially fails to perform or materially breaches the Agreement; or

24.2.2 The Authority decides to abandon or postpone the Project.

25. **Successors and Assigns.** This Agreement shall be binding upon the Authority and its successors and assigns, and upon Operator and its permitted successors and assigns, and shall not be assigned by Operator, either in whole or in part, except as otherwise provided in paragraph 9 of this Agreement.

26. **Venue.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in the Superior Court, County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event either party hereto shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that each party will bear their own attorney's fees and costs.

27. **Nondiscrimination.** During Operator's performance of this Agreement, Operator shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of

Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex, genetic information, gender, gender identity, gender expression, or sexual orientation, military and veteran status, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Operator agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement. Operator shall not discriminate against or segregate any person or group of persons, on account of race, color, national origin, disability, mental or physical, sex, gender, gender identity, gender expression, genetic information, religion, marital status, familial status, military or veterans status, or source of income in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any unit nor shall the Operator establish or permit any such practice or practices of discrimination or segregation.

28. **Severability.** Each provision, term, condition, covenant and/or restriction, in whole and in part, of this Agreement shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, of this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant and/or restriction of this Agreement, and the remainder of the Agreement shall continue in full force and effect.

29. **Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Operator each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions hereof and thereof.

30. **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings or agreements of the parties. Neither party has been induced to enter into this Agreement by and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

31. **Interpretation.** City and Operator acknowledge and agree that this Agreement is the product of mutual arms-length negotiations and accordingly, the rule of construction, which provides that the ambiguities in a document shall be construed against the drafter of that document, shall have no application to the interpretation and enforcement of this Agreement.

31.1 Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of the Agreement or any of its terms. Reference to section numbers, are to sections in the Agreement unless expressly stated otherwise.

31.2 This Agreement shall be governed by and construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement.

31.3 In the event of a conflict between the body of this Agreement and Exhibit "B" - Scope of Services hereto, the terms contained in Exhibit "B" shall be controlling.

32. **Digital and Counterpart Signatures.** Each party to this Agreement intends and agrees to the use of digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (Civil Code §§ 1633.1, et seq.), California Government Code § 16.5, and California Code of Regulations Title 2 Division 7 Chapter 10, to execute this Agreement. The parties further agree that the digital signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures for purposes of validity, enforceability, and admissibility. For purposes of this section, a “digital signature” is defined in subdivision (d) of Section 16.5 of the Government Code and is a type of “electronic signature” as defined in subdivision (h) of Section 1633.2 of the Civil Code. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each certified or authenticated electronic copy of an encrypted digital signature shall be deemed a duplicate original, constituting one and the same instrument and shall be binding on the parties hereto.

33. **Exhibits.** The following exhibits attached hereto are incorporated herein to this Agreement by this reference:

- Exhibit “A” - Properties
- Exhibit “B” - Scope of Services
- Exhibit “C” – Management Fee Schedule
- Exhibit “D” – Key Personnel

[SIGNATURES ON FOLLOWING PAGE.]

WITNESS WHEREOF, the parties hereto have executed this Property Management and Operating Agreement as of the date first above written.


AUTHORITY

OPERATOR

HOUSING AUTHORITY OF
THE CITY OF RIVERSIDE,
a public body corporate and politic

RIVERSIDE HOUSING DEVELOPMENT
CORPORATION,
a California non-profit, public benefit
corporation

By: _____
Executive Director

By: 
Name: *BRUCE KULPA*
Title: *CEO*

ATTEST:

By: _____
Name:
Title:

By: _____
Authority Secretary

APPROVED AS TO FORM:

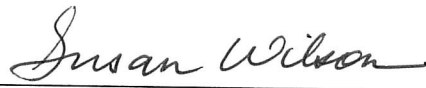
By: 
Authority General Counsel

EXHIBIT "A"
LIST OF PROPERTIES

| Address | Unit Count | Tenant Income Qualifications | Maximum Rents |
|-----------------------------------|-------------------|---|--|
| 1833, 1835, 1837 7th Street | 3 | Permanent Supportive Housing Program for formerly homeless individuals, with incomes at 50% AMI or below. The Authority's SHP Case Manager is responsible for filling SHP units. Property Manager's main role is to oversee the maintenance of the physical property and to notify the case manager and Authority Staff should issues with tenants arise. | Tenant's pay 30% of their household income towards rent. Utilities and other operating related expenses are covered through the Riverside County Continuum of Care Disabled Permanent Supportive Housing grant |
| 1740 Loma Vista | 28 | 50% AMI or below | Tenant's monthly rent including reasonable utility allowance shall not exceed very low-income rents pursuant to Section 92.252 of HOME Regulations. (Neighborhood Stabilization Program – NSP) |
| 3552 Lou Ella Lane | 16 | 50% AMI or below | Tenant's monthly rent including reasonable utility allowance shall not exceed very low-income rents pursuant to Section 92.252 of HOME Regulations. |
| 3553 Lou Ella Lane | 28 | 22 units at 50% AMI or below and 5 units at 60% Qualified Low | Not more than 30% of the household's gross income adjusted for family size appropriate for the unit as published annually by HUD. Tenant's monthly rent including reasonable utility allowance shall not exceed very low-income rents pursuant to Section 92.252 of HOME Regulations. (Neighborhood Stabilization Program – NSP) |
| 3556 - 3558 Dwight | 2 | 50% AMI or below | |
| 3590 Dwight and 1925 Loma Vista | 2 | 50% AMI or below | |
| 3675-3681 Dwight | 4 | 50% AMI or below | |
| 1824 Ohio | 4 | 50% AMI or below | |
| 3065-3067 Fairmount Boulevard | 2 | 50% AMI or below | |
| 2348-2350 University (Duplex) | 2 | 50% AMI or below | |
| 3426 Lime Street | 1 | 60% AMI or below | |
| 6835 Capistrano | 1 | 60% AMI or below | |
| 4320 Emerson | 1 | 60% AMI or below | |
| 2825, 2831 & 2841 Mulberry Street | 10 | 50% AMI or below | HOME Project – Permanent Supportive Housing. 10 tiny homes for formally homeless individuals. |
| Total | 104 | | |

EXHIBIT "B"

SCOPE OF WORK

- Facilitate the execution of Housing Authority-prepared leases, rental agreements, amendments, renewals, and cancellations with existing tenants and future tenants and collect security/damage deposits and monthly rent payments;
- Pursue and collect delinquent rents;
- Service of eviction notices and carrying out of the eviction process;
- Ensure that all tenants are eligible persons or families and are income-qualified pursuant to the Housing Authority's and Agency's income criteria and that rents meet HUD's and/or State's definition of affordable;
- Create affirmative marketing plans and tenant selection procedures that ensures that prospective tenants are not discriminated against due to their race, religion, national origin, familial status, etc., knowledge of the Fair Housing Act is required;
- Develop accurate and concise operating budgets including costs for general maintenance, repair, and compensation;
- Maintain accurate records pursuant to HUD and California Redevelopment Law requirements including procedures for reporting monthly rent collections, enforcing the terms of the rental agreements, annual income and rent re-certifications, and annual inspections of the units to ensure compliance with Housing Quality Standards, or current housing standards in accordance with the City of Riverside Housing Authority Administrative Plan;
- Conduct annual property inspections;
- Ensure that all properties are well maintained, provide safe and sanitary living conditions, perform necessary repairs, and address any tenant issues;
- Supervise and arrange the routine maintenance and minor repairs of properties, including arrangement for janitorial services and landscaping services;
- Remove graffiti within 24 hours of it appearing;
- Request approval for repair expenditures above a specified amount;
- Prepare accommodation inspection reports for incoming and outgoing tenants;
- Provide written monthly income and expenditure reports to the Housing Authority and Agency within ten (10) working days of the end of the month including a precise description of services provided to the property, number of employees/subcontractors involved, and the costs incurred;
- Provide emergency services as needed on a twenty-four (24) hour, seven (7) days a week basis. The Organization agrees to provide an emergency telephone service on a twenty-four (24) hour, seven (7) days a week basis;
- Review all invoices for services, work and supplies ordered in connection with maintaining and operating the properties and cause such invoices to be paid from funds deposited in an Operating Expense Account;
- Establish and maintain orderly books, records and files containing correspondences, receipted invoices, contracts and vouchers and all other documents pertaining to the properties and the operation and maintenance thereof, which the Housing Authority and Agency may review at any time.

EXHIBIT "C"
MANAGEMENT FEE SCHEDULE

Management Fee:

Active Unit: \$50.00 per unit/per month

| Address | Unit Count | Monthly Rate for Location | Annual Rate |
|-----------------------------------|------------|---------------------------|-------------|
| 1833, 1835, 1837 7th Street | 3 | X \$50/unit= \$150 | \$1,800 |
| 1740 Loma Vista | 28 | X \$50/unit= \$1,400 | \$16,800 |
| 3552 Lou Ella Lane | 16 | X \$50/unit= \$800 | \$9,600 |
| 3553 Lou Ella Lane | 28 | X \$50/unit= \$1,400 | \$16,800 |
| 3556 - 3558 Dwight | 2 | X \$50/unit= \$100 | \$1,200 |
| 3590 Dwight and 1925 Loma Vista | 2 | X \$50/unit= \$100 | \$1,200 |
| 3675-3681 Dwight | 4 | X \$50/unit= \$200 | \$2,400 |
| 1824 Ohio | 4 | X \$50/unit= \$200 | \$2,400 |
| 3065-3067 Fairmount Boulevard | 2 | X \$50/unit= \$100 | \$1,200 |
| 2348-2350 University (Duplex) | 2 | X \$50/unit= \$100 | \$1,200 |
| 3426 Lime Street | 1 | X \$50/unit= \$50 | \$600 |
| 6835 Capistrano | 1 | X \$50/unit= \$50 | \$600 |
| 4320 Emerson | 1 | X \$50/unit= \$50 | \$600 |
| 2825, 2831 & 2841 Mulberry Street | 10 | X \$50/unit= \$500 | \$6,000 |
| Total | 104 | \$5,200/month | \$62,400 |

Lease Up Fee:

A one-time lease up fee equivalent to fifty percent (50%) of one month's rent for each new lease created.

| | Maximum Lease-up Fees |
|--------|-----------------------|
| Year 1 | \$3,315.00 |
| Year 2 | \$3,315.00 |
| Year 3 | \$3,315.00 |
| Year 4 | \$3,315.00 |
| Total | \$13,260.00 |

Initial Staff Costs:

| | Manager | Asst. Manager | Maintenance | Asst. Maintenance/Porter | |
|--------------------------|-----------|---------------|-------------|--------------------------|------------|
| Rate per hour | \$ 19.50 | \$ 17.50 | \$ 18.00 | \$ 17.00 | |
| Basic Pay | 1,560.00 | 1,400.00 | 1,440.00 | 1,360.00 | |
| Overtime | | 26.25 | | | |
| Phone Reimbursement | 23.07 | 23.07 | 34.62 | - | |
| Auto Allow | 150.00 | 50.00 | 150.00 | - | |
| EE Life Insurance | 2.55 | 2.55 | 2.55 | 2.55 | |
| Medical, Dental & Vision | 212.42 | 212.42 | 212.42 | | |
| Worker's Comp | 94.35 | 75.96 | 95.47 | 85.68 | |
| Gross Pay/pay period | 2,042.39 | 1,790.25 | 1,935.06 | 1,448.23 | 7,215.93 |
| Annual | 53,102.14 | 46,546.50 | 50,311.55 | 37,653.98 | 187,614.17 |

Note: Cost of Living Increase. All Staff Salaries may be subject to a 5% Cost of Living increase annually, which would be part of the Operational Budget submitted annually to the Housing Authority of the City of Riverside for review and approval.

| | Maximum Staff Costs | Annual Management Fee for 104 Units | Maximum Lease Up Fees | Total Maximum Annual Cost |
|--------------|----------------------|-------------------------------------|-----------------------|---------------------------|
| Year 1 | \$187,614.17 | \$ 62,400.00 | \$ 3,315.00 | \$ 253,329.17 |
| Year 2 | \$ 196,994.88 | \$ 62,400.00 | \$ 3,315.00 | \$ 262,709.88 |
| Year 3 | \$ 206,844.62 | \$ 62,400.00 | \$ 3,315.00 | \$ 272,559.62 |
| Year 4 | \$ 217,187.33 | \$ 62,400.00 | \$ 3,315.00 | \$ 282,902.33 |
| Total | \$ 808,641.00 | \$ 249,600.00 | \$ 13,260.00 | \$ 1,071,501 |

EXHIBIT "D"
KEY PESONNEL

- Michelle Davis, Director, Department of Housing and Human Services
- Agripina Neubauer, Project Manager, City of Riverside Housing Authority
- Miranda Hundley, Riverside Housing Development Corporation