

**PROPERTY MANAGEMENT AGREEMENT
1185 PEDRO STREET**

THIS PROPERTY MANAGEMENT AGREEMENT (this “**Agreement**”), is made effective as of August 1, 2020, by and between **THE COUNTY OF SANTA CLARA**, a political subdivision of the State of California (the “**County**”), and **ABODE SERVICES**, a California non-profit public benefit corporation (“**Manager**”).

RECITALS

The County is the ground lessee a 91-unit residential project (the “**Property**”, with each unit therein referred to as a “**Unit**”), located at 1185 Pedro Street, San Jose, California and known as assessor’s parcel number 264-05-066, a depiction of which is set forth on Exhibit A attached hereto.

The County’s ground lessee interest in the Property is governed by that certain Ground Lease Agreement by and between the County and Chang USA, LLC Retirement Inn Series (R45) and dated March 16, 2020 (the “**Ground Lease**”).

The County desires to employ Manager in the management and operation of the Property, subject to and in accordance with the terms and conditions set forth in this Agreement, and Manager desires to assume such duties upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Manager agree as follows:

**ARTICLE I
TERM**

2.01 Term. The term of this Agreement shall commence on either later of the Effective Date or the Commencement Date of the Ground Lease (the “**Commencement Date**”) and shall terminate one (1) year thereafter (the foregoing and any extension thereof, the “**Term**”); provided, however, that unless this Agreement has been earlier terminated pursuant to the terms of this Agreement, the Term shall be automatically extended for additional one (1) year periods, on a year-to-year basis, not to exceed a five-year Term. Notwithstanding the foregoing, (i) County may terminate this Agreement without cause at any time during the Term, as the same may be extended, upon thirty (30) days prior written notice to Manager, (ii) Manager may terminate this Agreement without cause at any time during the Term, as the same may be extended, upon one hundred eighty (180) days prior

written notice to County, and (iii) either party may also terminate this Agreement for cause as specified by Sections 7.01 and 7.02 below.

ARTICLE II DUTIES AND RIGHTS OF MANAGER

2.02 Appointment of Manager. County hereby appoints Manager and grants to Manager the authority and power (all of any of which may be exercised in County's name, except as otherwise expressly provided herein), and Manager hereby accepts such appointment, to supervise and direct the leasing, management and operation of the Property. All services performed by Manager under this Agreement shall be performed as an independent contractor of County. Upon the commencement of the Term, the management of the Property shall be conducted primarily by the on-site property manager (the "**On-Site Manager**") and the other managerial employees holding the positions set forth on Schedule 2.01 attached hereto (collectively the "**Manager-Level Employees**"). Within forty-eight (48) hours of execution of this Agreement, Manager shall provide the County with a completed schedule, including employee names and contact information. Within forty-eight (48) hours of the termination or replacement, if any, of any Manager-Level Employees, Manager shall notify County of such termination or replacement and provide County with the information for the replacement(s). All obligations or expenses incurred hereunder for the benefit of the Property, and all purchases of or contracts for sales or services in bulk or volume that Manager may obtain for discount or convenience in connection with its operation of other apartment properties, shall be for the account of, on behalf of, and at the expense of County (reasonably allocated between all benefited properties) except as otherwise specifically provided herein.

2.03 General Operations. Subject to the availability of funds provided under the Budget, Manager shall manage, operate and maintain the Property in a diligent, careful and professional manner consistent with, in scope and quality, the management and operation of first-class affordable housing projects in the same geographical area as the Property. Without limitation on the foregoing, Manager shall:

- (a) Ensure the Property is well-maintained, safe and sanitary.
- (b) Ensure the Units pass annual inspections related to housing quality standards and remain safe and habitable at all times.
- (c) Manage and control access to the building(s) on the Property.
- (d) Maintain an on-site presence at the Property at all times.
- (e) Maintain a current inventory of all equipment, furnishings, furniture and all other items of personal property now or hereafter owned by County and located upon or used in connection with the operation of the Property.
- (f) Prepare and maintain a comprehensive property management policy

and procedure manual, which shall be updated from time to time as reasonably necessary.

(g) Prepare and provide a preventative maintenance plan, which shall be updated from time to time as reasonably necessary.

(h) Maintain complete and accurate property management files, including but not limited to: lease documentation, tenant files (including tenant income documentation, lease violations, notices, inspections and other correspondence), vendor contracts and invoices, repair logs, routine maintenance logs and schedules, emergency and evacuations plans and property-related incident reports.

(i) Perform all other duties required of Manager in this Article II and elsewhere in this Agreement.

2.04 Leasing Duties. Manager will be responsible for the leasing of Property to occupants who meet County's targeted population(s), as directed to Manager by County from time-to-time. Without limitation on the foregoing, Manager shall:

(a) With direction from the County, develop and implement tenant screenings and eligibility verifications.

(b) Perform income certifications as needed.

(c) Coordinate the execution of leases, rental agreements, lease renewals, lease extensions, and other documents associated with leasing the Units on forms agreed to by the County.

(d) Perform move-in and move-out inspections and administer Unit-turnovers in a timely and efficient manner.

(e) Collect all rents and other charges for services provided in connection with the use of the Property due from any tenant, subtenant, resident, sub-resident, licensee or from others, and deposit such amount in the Operating Account.

(f) Collect, deposit, disburse and manage security deposits, if applicable, in accordance with applicable state, local and federal laws and regulations.

(g) Coordinate with on-site service providers to resolve problems or crises, and assist occupants to get the care that they need to maintain housing stability.

(h) Issue lease violation notices.

(i) After reasonable attempts have been made to maintain housing stability, conduct evictions of those occupants who violate the terms of their lease.

(j) Make timely and accurate rent adjustments with all required noticing

and documentation.

(k) Manage the marketing of vacant units.

(l) Develop and implement policies that comply with Federal and State Fair Housing requirements.

(m) Other leasing functions as appropriate.

2.05 On-site services. Subject to the availability of funds provided under the Budget, Manager shall provide services related to managing an Interim Housing Program set forth in **Schedule 2.05.**

2.06 Property Personnel.

(a) Manager shall use reasonable efforts to investigate and shall hire, employ, train, instruct, pay, promote, discharge and supervise the work of all Property Personnel. All Property Personnel shall be employees of Manager. Manager shall provide and maintain, at County's expense so long as this Agreement is in force and effect and the expense is provided for in the Budget, workmen's compensation insurance in full compliance with all applicable state and federal laws and regulations covering all employees of Manager who spend 100% of their work time performing work in respect of the operations of the Property. Manager shall fully comply with all applicable laws and regulations related to workers' compensation, social security, ERISA, and other applicable pension matters, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related subjects, although County shall be responsible for all payments and contributions to or on account of such employees provided that this Agreement is in full force and effect and such expenses are provided for in the Budget. "**Property Personnel**" shall mean those persons employed by Manager to carry out Manager's obligations under this Agreement (including, but not limited to, the Manager-Level Employees, Maintenance Technicians, and other personnel necessary to the operation and maintenance of the Property as specified in the Budget).

(b) County shall reimburse Manager each pay period for the total aggregate compensation, including salary and other related costs and fringe benefits (including but not limited to the costs of hiring, termination, uniforms, educational and motivation programs provided that, in each case, the same are specifically set forth in the approved Budget), payable with respect to the Property Personnel, any temporary employees working at the Property, the Property's proportionate share of all costs relating to roving maintenance supervisors and other personnel performing services for Manager for properties other than the Property, but only to the extent such costs are reflected in the approved Budget. The term "**fringe benefits**" as used herein shall mean and include the employer's contribution of F.I.C.A., unemployment compensation and other employment taxes, worker's compensation, group life and accident and health insurance premiums, 401K contributions, performance bonuses, and disability and other similar benefits paid or payable by Manager to its employees in other apartment properties operated by Manager,

but only to the extent reflected in the approved Budget. Notwithstanding the foregoing, wages and other compensation of employees performing services for Manager at properties other than the Property, shall be reimbursed to Manager pro rata based on the portion of working hours involved in services to the Property and such other properties; provided that Manager shall be reimbursed for any roving maintenance supervisor providing services to the Property at the rate reflected in the approved Budget.

(c) Employees who handle or who are responsible for or have direct access to funds and accounts belonging to County shall be bonded by a fidelity bond in an amount equal to a minimum of \$1,000,000, issued by a reputable company.

2.07 Contracts and Supplies.

(a) Except as otherwise provided herein, Manager shall enter into agreements with contractors furnishing services to the Property, including, but not limited to, utilities, janitorial, trash collection, cleaning, vermin extermination, furnace and air conditioning maintenance, security protection, pest control, landscape and irrigation system maintenance, repair, maintenance, and replacement of elements of the buildings, recreational facilities or common areas (to the extent such work cannot reasonably and less expensively be done by Property Personnel), and any other services that Manager shall reasonably deem advisable in connection with the management of the Property.

(b) Manager shall place purchase orders for equipment, tools, appliances, materials, services and supplies as are necessary to properly maintain and operate the Property.

(c) Notwithstanding anything to the contrary herein, all contracts entered into by Manager, unless Manager has obtained County's prior written consent, must be (a) cancelable without penalty upon not more than thirty (30) days' notice, (b) have terms of one (1) year or less, and (c) require the provider of such services pursuant to such contract to comply with County's insurance requirements.

(d) If County shall so require, Manager shall obtain competitive bids for any such contracts and, in connection therewith, shall investigate the competency and history of all potential bidders; develop and submit detailed specifications for work to be performed, solicit and obtain such bids, conduct an analysis of bid results and submit all bids to County for review and approval, together with Manager's recommendation with respect thereto.

(e) Manager shall use reasonable commercial efforts to ensure that all contract specifications are being properly administered and shall take all commercially reasonable actions to enforce the terms of any and all contracts and to collect any and all funds due or payable to County from other parties to contracts or agreements in connection with the Property. If Manager discovers that any party to a contract commits a material breach of such contract, Manager shall promptly notify County, recommend appropriate action for County to take and obtain County's approval regarding the action to take in connection with such breach.

2.08 Alterations, Repairs and Maintenance.

(a) Manager shall make or install, or cause to be made and installed, all necessary or desirable repairs, interior and exterior cleaning, painting and decorating, plumbing, alterations, replacements, improvements and other normal maintenance and repair work on and to the Property as are customarily made by Manager in the operation and management of multifamily apartment properties and/or affordable housing projects with similar characteristics to the Property in the same geographical as the Property; provided that no unbudgeted expenditure may be made for such purposes without the prior approval of County. Notwithstanding the foregoing, Manager shall make emergency repairs involving manifest danger to life or property, or for the safety of the tenants, or to avoid the suspension of any necessary service to the Property within 24 hours of becoming aware of the incident without County's prior approval and irrespective of whether such costs exceed the approved Budget, provided that in each such instance, Manager shall, before causing any such emergency repair to be made, use reasonable commercial efforts under the circumstances to notify County of that repair. All such work shall be performed by Property Personnel unless it is not reasonable for them to do so due to the expertise, time constraints, or other considerations involved, and/or because having them do so is more expensive.

(b) In accordance with the terms of the approved Budget or upon written demand and/or approval (except in the case of emergency) of County, from time to time during the Term Manager shall, at County's expense, make all required capital improvements, replacements or repairs to the Property. Subject to obtaining County's prior written approval in regard to sums necessary to cover costs of unbudgeted capital improvements, Manager shall first use any excess funds in the Operating Account, that are not committed to operating expenses, and then shall use funds furnished by County for that purpose.

(c) In the event any alterations or repairs, including capital alterations or repairs, are not performed by Property Personnel, Manager shall comply with the contracting and public works requirements set forth on Schedule 2.06 attached hereto.

2.09 Licenses and Permits. Manager shall apply for, obtain, and maintain, in the name and at the expense of County, all licenses and permits (including deposits and bonds) required of County or Manager in connection with the management and operation of the Property, including the performance of any alterations or improvements. County agrees to execute and deliver any and all applications and other documents and to otherwise cooperate to the fullest extent with Manager in applying for, obtaining and maintaining such licenses and permits. Manager shall ensure the completion of annual safety tests and drills required in connection with any licenses and permits or otherwise required by law or good operating practice.

2.10 Compliance with Laws. Manager shall comply with, and shall cause the

Property to be in compliance with, all laws, regulations and requirements of any federal, state or municipal government having jurisdiction respecting the use or manner of use of the Property or the maintenance or operation thereof, including but not limited to all building, fire and health codes.

2.11 **Budget.**

(a) Manager will submit to County for County's approval (i) an operations budget, which shall be an estimate of receipts and expenditures for the operation of the Property during a "Fiscal Year" (meaning a year commencing on July 1 and ending on the following June 30) including routine repairs and replacements, and (ii) a capital budget, which shall be an estimate of capital replacements and substitutions of and additions relating to all or a portion of the Property for a Fiscal Year (collectively, the "**Budget**"). The Budget for the first Fiscal Year (or partial Fiscal Year, as appropriate) is attached hereto as Schedule 2.14(a).

(b) The Budget shall be submitted to County for County's approval no later than sixty (60) days prior to the beginning of each successive Fiscal Year for the ensuing Fiscal Year. Each such Budget shall be approved or disapproved by County within thirty (30) days after receipt, and if County fails to approve or disapprove any Budget within such period, Manager shall send written notice to County (the "**Second Notice**") stating that unless County notifies Manager of its disapproval of the Budget (or any portion thereof) within fifteen (15) business days of County's receipt of the Second Notice such Budget shall be deemed to be disapproved, and if Manager sends the Second Notice to County and County fails to respond to the same within fifteen (15) business days of County's receipt, the Budget shall be deemed to be disapproved.

(c) If County disapproves a Budget, County and Manager shall jointly prepare a revised Budget as soon as may be reasonably possible. Until a new budget is approved, Manager will operate under the Budget approved by County for the preceding Fiscal Year; provided, however, the such Budget shall reflect the schedule of monthly rents for the new Fiscal Year and other Gross Receipts anticipated for the new fiscal year, and there shall be no Substantial Deviations therefrom except as permitted by Section 2.10(a). Manager shall at all times act diligently, in good faith and in a commercially reasonable manner to maximize revenues, minimize expenses and losses in respect of the Property.

(d) Manager shall pay all expenses for the Property provided the same are included in the approved Budget or do not result in a Substantial Deviation. A "**Substantial Deviation**" shall be any single item expense that exceeds [Five Thousand Dollars (\$5,000.00)], which is not in the Budget or an accumulative total of expenses not included in the Budget that exceed five percent (5%) of the budgeted line item covering the type of expenses involved. Consequently, no expenses may be incurred or commitments made by Manager in connection with the maintenance and operation of the Property that constitute a Substantial Deviation from the amounts allocated to such expenses for the period in question in the approved Budget without County's prior consent; provided that the foregoing limitation shall not apply to expenses relating to taxes, insurance or utilities

or expenditures required due to emergencies that threaten life or property or could result in civil or criminal liability for County and/or Manager. Manager shall promptly notify County whenever Manager determines that the Budget or any line item in the Budget is insufficient to cover the expenses of operating the Property of the applicable expense category.

(e) “**Gross Receipts**” shall mean the entire amount of all receipts, determined on a cash basis, from tenant rentals actually collected pursuant to tenant leases of Units, for each month during the Term hereof and all other receipts from the operation of the Property or [grants or funds from other sources supporting the Property] .

(f) If there shall be a substantial discrepancy between the actual results of operations for any month and the estimated results of operations for such month as set forth in the Budget, Manager shall furnish to County within twenty (20) days after the expiration of such month a written explanation as to why the discrepancy occurred. If Substantial Deviations have occurred or are anticipated by Manager during the course of any Fiscal Year, Manager, upon County’s reasonable request, shall prepare and submit to County a revised Budget covering the remainder of the Fiscal Year.

ARTICLE III MANAGEMENT FEES AND REIMBURSEMENTS

3.01 Management Fee. In addition to the reimbursements to Manager provided for in this Agreement, Manager shall earn a fee for its services under this Agreement in an amount equal to: \$78 per Unit per month (PUPM), plus bookkeeping fees at \$9.50 PUPM, plus asset management fees of \$10 PUPM, plus a special needs fee of \$2 PUPM [confirm details on how to calculate] (the “**Management Fee**”).

3.02 Costs of Managing the Property.

To the extent the same are included in the approved Budget for a fiscal year, do not otherwise result in a Substantial Deviation from the approved Budget or are otherwise approved by County, Manager shall pay to providers, or reimburse itself, directly from the Operating Account the following expenses to the extent made for the Property, subject to the conditions and limitations set forth elsewhere in this Agreement:

- (a) Cost of on-site computer hardware and telecommunications equipment;
- (b) Cost of forms, papers, ledgers, and other supplies and equipment used by Manager solely for the Property, and postage, messenger and overnight delivery services solely in respect of the Property;
- (c) Cost to correct any violation of law relative to the leasing, management, use, operation, repair, maintenance or occupancy of the Property, or relative to the rules, regulations or orders of any national or local Board of Fire Underwriters or

other similar body, unless due to Manager's gross negligence, willful acts or omissions;

- (d) Actual cost of making all repairs, decorations and alterations of the Property;
- (e) Cost of capital expenditures;
- (f) Cost of printed checks for each bank account maintained by Manager relating to the Property;
- (k) Cost of service contracts and agreements;
- (l) Cost of utilities;
- (m) Cost of advertising;
- (n) Cost of real estate and personal property taxes, improvement assessments and other like charges;
- (o) Property Management Fee;
- (p) Costs of the property management software package that is utilized for management of the Property; and
- (q) Employee-related costs as set forth in Section 2.04 hereof.

The foregoing enumeration of reimbursable expenses is not intended to be exclusive, and subject to the conditions and limitations set forth elsewhere in this Agreement, Manager shall be entitled to make disbursements from the Operating Account for other expenses incurred or paid by Manager to the extent those expenses are related to operation of the Property and are included in the approved Budget for a fiscal year, do not otherwise result in a Substantial Deviation from the approved Budget or are otherwise approved by County.

3.03 Non-reimbursable Costs. Unless otherwise approved by County or specifically set forth in any approved Budget, the following expenses or costs incurred by or on behalf of Manager in connection with the management and leasing of the Property shall be at the sole cost and expense of Manager and shall not be reimbursed by County:

- (a) Costs specified in this Agreement to be borne by Manager;
- (b) Salaries, other compensation and other employee benefits for personnel in Manager's home office, including credit and collections personnel, bookkeeping and accounting personnel, secretaries and management personnel, other than as set forth in Section 2.08;

(c) General accounting and reporting services which are within the scope of Manager's responsibility to County;

(d) Cost of forms, papers, ledgers, and other supplies and equipment used in Manager's office at any location off the Property and not utilized for the benefit of the Property;

(e) Cost of electronic data processing equipment, or any pro rata charge thereon, if located at Manager's office off the Property;

(f) Cost of travel by Manager's employees or agents to and from the Property, except as set forth in the approved Budget;

(g) Cost of comprehensive crime insurance or fidelity bond purchased by Manager for its own account; and

(h) All overhead and general expenses attributable to Manager's regional and corporate office or offices.

ARTICLE IV PROCEDURE FOR HANDLING RECEIPTS AND OPERATING CAPITAL

4.01 Bank Deposits. Manager shall promptly deposit (not later than two (2) business days) following its receipt thereof all funds collected by Manager relating to the Property in such bank accounts as County may designate. County from time to time may designate one or more accounts for receipt of funds, for disbursements, for holding security deposits, and other purposes, all of which shall be established under such terms as County may direct. Without limiting the foregoing, such account or accounts shall consist of an operating account, in County's name (or in Manager's name for the account of County, as designated by County), but over which Manager shall have check writing abilities to allow it to make expenditures in accordance with the terms hereof (the "**Operating Account**"). The Operating Account shall maintain a working capital reserve of [\$15,000] to make up for operating shortfalls. Any such reserve shall be replenished to its starting level on a quarterly basis, unless County determines otherwise. Under no circumstances shall Manager have any right to withdraw or otherwise apply funds held in the Operating Account except in strict accordance with Section 4.01(b) below. All money in the Operating Account and any other account maintained pursuant to the terms hereof (collectively, the "**Accounts**") shall be the County's property. In no event shall any funds of Manager be commingled with funds in any of the Accounts. Disbursements from Accounts shall be made as County may direct from time to time.

4.02 Authorized Signatories. The [insert position title] for Manager shall be an authorized signer on the Operating Account. In addition, the [insert title] may authorize any

person who qualifies as an authorized signatory on such accounts. Authorized signatories on such accounts shall have authority to make disbursements from such accounts for the purpose of fulfilling Manager's obligations hereunder. Funds over [Five Thousand Dollars (\$5,000.00)] may be withdrawn from such accounts in accordance with this Article IV, only upon the signature of at [least two (2) individuals who have been granted that authority by Manager]. All persons who are authorized signatories or who in any way handle funds for the Property (on-site or off-site) shall be insured for dishonesty in the minimum amount of \$1,000,000.00 per occurrence or loss with not more than a \$5,000.00 deductible. A certificate confirming such insurance naming Manager and County as named insureds and confirming that it will not be modified or cancelled without at least thirty (30) days prior written notice to County shall be delivered to County prior to the Commencement Date.

ARTICLE V ACCOUNTING

5.01 Books and Records. On behalf of County, Manager shall keep, or shall supervise and direct the keeping of, on an **accrual** basis, of a comprehensive system of accounting and office records, books, and accounts pertaining to the Property, including accounts receivables, accounts payables, an aging summary, account summaries (e.g., cash, escrow, reserves), a general ledger, a check register, an income statement, rent roll and security deposits. Such records shall be subject to examination by County or its authorized agents, attorneys and accountants at all reasonable hours at the office where such records are maintained, and shall be delivered to County promptly, and in any event, within ten (10) days after the termination or expiration of this Agreement. All books and records of the Property shall be kept at the Property or at the location where any central accounting and bookkeeping services are performed by Manager, but at all times shall be the property of County.

5.02 Property Reports.

(a) On or before the 20th day of each month during the Term, Manager shall provide County with reports of the following for the preceding month: rent rolls, income levels of the tenants, delinquency reports, length of time taken to perform repairs (both routine and emergency), incident and resolution reports, time spent on day to day activities, vacancy reports, unlawful detainers, calls for service.

(b) On or before each October 20, January 20, April 20, and July 20, Manager shall provide County with a report regarding funds spent on maintenance and repairs for the Property.

(c) Within forty-five (45) days after the end of each Fiscal Year, Manager shall provide County with reports on the following for the preceding Fiscal Year: occupancy and tenant rents and incomes, maintenance and repairs, tenant satisfaction surveys, and an annual audit.

5.03 Financial Reports: Audits.

(a) On or before twenty (20) days following the end of each calendar month, Manager shall deliver or cause to be delivered to County (i) an unaudited income and expense statement showing the results of operation of the Property for the preceding calendar month and the Fiscal Year to date; (ii) a comparison of actual income and expenses with the income and expenses projected in the Budget; and (iii) cash balances for reserves and the Operating Account as of the last day of such month.

(b) Within forty-five (45) days after the end of each Fiscal Year, Manager shall deliver or cause to be delivered to County an income and expense statement as of the end of such Fiscal Year, and the results of operation of the Property during the preceding Fiscal Year.

(c) County may request, and Manager shall cooperate in the production of, and financial audit of the Property and this Agreement, requested or initiated by County. Manager shall at its option (a) preserve all invoices for a period of four (4) years, or at the expiration of each Fiscal Year deliver all invoices to County. Such statements and computations shall be prepared from the books of account of the Property.

(d) County may request and Manager shall provide when available such additional monthly, quarterly and/or annual reports that relate to the operations of the Property.

**ARTICLE VI
GENERAL COVENANTS OF COUNTY AND MANAGER**

6.01 County's Right of Inspection and Review. County and its accountants, attorneys, and agents shall have the right to enter upon any part of the Property at all reasonable times for the purpose of examining or inspecting the Property or examining or making extracts of books and records of the Property.

6.02 Indemnification and Hold Harmless.

(a) Indemnification and Hold Harmless by County. County shall indemnify, defend, and hold harmless Manager, its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with the sole negligence or willful misconduct of County or County's agents, employees or contractors, excepting loss, injury or damage caused by Manager or personnel employed by the County. County shall reimburse Manager for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which County is obligated to indemnify, defend and hold harmless the Manager under this Agreement.

(b) Indemnification by Manager. Manager shall indemnify County as

provided in Exhibit B attached hereto.

(c) Survival of Covenants. The indemnification and hold harmless obligations of the parties in this Section 6.02 shall survive the expiration or earlier termination of this Agreement.

6.03 Covenants Concerning Payment of Operating Expenses. County covenants to pay all sums for operating expenses in excess of Gross Receipts required to operate the Property within ten (10) days after receipt of written notice from Manager.

ARTICLE VII DEFAULTS and TERMINATION RIGHTS

7.01 Default by Manager. County may immediately terminate this Agreement in the event of a breach of this Agreement by Manager that continues for a period of ten (10) days after notice thereof by County to Manager, or if such material breach cannot be cured within ten (10) days, then such additional period as shall be reasonable so long as Manager is capable of curing same and is diligently proceeding to cure such material breach.

7.02 Defaults by County. Manager may immediately terminate this Agreement in the event of a material breach of this Agreement by County that continues for a period of thirty (30) days after written notice thereof by Manager to County, or if such material breach cannot be cured within thirty (30) days, then such additional period as shall be reasonable so long as County is capable of curing same and is diligently proceeding to cure such material breach.

7.03 Automatic Termination. This Agreement shall terminate automatically upon the occurrence of any of the following:

(a) with respect to Manger, the commencement or occurrence of any of the following with respect to such person or entity: (a) a case under Title 11 of the U.S. Code, as now constituted or hereafter amended, or under any other applicable federal or state bankruptcy law or other similar law; (b) the appointment of (or a proceeding to appoint) a trustee or receiver of any property interest; (c) an attachment, execution or other judicial seizure of (or a proceeding to attach, execute or seize) a substantial property interest; (d) an assignment for the benefit of creditors; (e) the taking of, failure to take, or submission to any action indicating (after reasonable investigation) an inability to meet its financial obligations as they accrue; or (f) a dissolution or liquidation; provided, however, that the events described in clauses (a), (b) or (c) shall not be included if the same are (i) involuntary and not at any time consented to, (ii) contested within thirty (30) days of commencement and thereafter diligently and continuously contested, and (iii) dismissed or set aside, as the case may be, within ninety (90) days of commencement.

(b) upon the termination of the Ground Lease or an assignment thereof;
or

(c) if all or substantially all of the Property shall be taken by condemnation (this Agreement shall terminate with respect to the portion of the Property taken by condemnation if less than all of the Property is so taken, and shall, unless otherwise terminated, continue in full force and effect with respect to the balance of the Property).

7.04 Expiration of Term.

(a) Upon the expiration of the Term, or the earlier termination hereof pursuant to any of Section 7.01, 7.02 or 7.03, the parties shall continue to be obligated to pay and perform all of their respective obligations (including, in the case of County, the payment of the fees and other amounts as set forth in Article III) which have accrued as of the date of termination, Manager shall deliver to County all funds, including tenant security deposits, books and records of County then in the possession or control of Manager. Upon the expiration of the Term, Manager shall use its best efforts to be available and to effect an orderly transition of the management and operation of the Property to County or an agent designated by County to cooperate with County or such agent.

(b) Not later than thirty (30) days following expiration or termination, Manager

shall:

(i) account for and deliver to County all receipts, charges and income from the Property (including, without limitation, tenant security deposits) and other monies of County in Manager's actual possession or control;

(ii) deliver to County any monies due County under this Agreement received after such termination;

(iii) deliver to County, or to such other person as County shall designate, all materials, supplies, equipment, keys, contracts, documents, books and records (including, without limitation, accounts payable, financial records and accounting records) pertaining to this Agreement and/or the Property;

(iv) assign any then existing contracts and permits in the name of Manager, as agent for County, relating to the Property to County or to such party as County shall designate;

(v) within thirty (30) days after the effective date of expiration or termination of this Agreement, cause to be furnished to County a statement similar in form and content to its monthly statement covering the period from the date of the last such previous statement to the date of the termination of this Agreement; and

(vi) within ninety (90) days following expiration or termination, Manager shall deliver to County a final accounting as prepared by an independent certified

account of Manager, in writing, with respect to the operations of the Property.

(c) This provision shall survive the expiration or earlier termination of this Agreement.

ARTICLE VIII INSURANCE

8.01 Insurance Carried by Manager. Manager shall maintain the insurance, and comply with the requirements, set forth on Exhibit B attached hereto.

8.02 County's Liability Insurance. During the Term, County, at County's expense, shall carry and maintain primary commercial general liability insurance on an "occurrence" basis, naming Manager as an insured, with limits of not less than \$3,000,000 per occurrence ("**County's Liability Insurance**") [confirm with County risk management]. If such County's insurance has a deductible, or similar clause, County shall be responsible for paying any losses that are not covered by the foregoing liability insurance because of such deductible or similar clause.

8.03 Handling Claims. Manager shall report to County promptly in writing all accidents and claims of which it is aware for damage and injury relating to the Countyship, operation, and maintenance of the Property and any damage or destruction to the Property coming to the attention of Manager. Manager shall manage and maintain complete files regarding any insurance claims related to the Property, but Manager shall not settle on County's behalf any claims with County's insurers or any third-party claimant.

ARTICLE IX MISCELLANEOUS PROVISIONS

9.01 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California.

9.02 Section Headings. The section headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the provisions of this Agreement.

9.03 Assignment. None of the rights, interests, duties or obligations created by this Agreement may be assigned, transferred or delegated in whole or in part by Manager, and any such purported assignment, transfer or delegation shall be void.

9.04 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES TRIAL BY JURY IN ANY ACTION ARISING OUT OF MATTERS RELATED TO THIS AGREEMENT, WHICH WAIVER IS INFORMED AND VOLUNTARY.

9.05 Notices. Any notice or communication hereunder must be in writing, and

may be given either by personal delivery or by private courier with an acknowledged receipt or by registered or certified mail, and if given by registered or certified mail, the notice shall be deemed to have been given and received three (3) business days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail; and if given otherwise than by registered mail, it shall be deemed to have been given when delivered to and received by the party to whom it is addressed. Such notices or communications shall be given to the parties hereto at the addresses set forth opposite the names of the respective parties on the signature page hereof. Any party hereto may at any time by giving ten (10) days written notice to the other party hereto designate any other address in substitution of the foregoing address to which such notice or communication shall be given.

9.06 Severability. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or such other documents, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement or such other documents shall be valid and shall be enforced to the fullest extent permitted by law.

9.07 No Joint Venture or Partnership. County and Manager hereby agree that nothing contained herein or in any document executed in connection herewith shall be construed as making Manager and County joint ventures or partners.

9.08 Third-Party Beneficiaries. This agreement does not, and is not intended to, confer any rights or remedies upon any person or entity other than the parties.

9.09 Modification; Termination. This Agreement terminates any and all prior management agreements between County and Manager, related to the Property, and any amendment, modification, termination or release of this Agreement may be effected only by a written instrument executed by Manager and County.

9.10 Total Agreement. This Agreement is a total and complete integration of any and all agreements existing between Manager and County and supersedes any prior oral or written agreements, promises or representations between them.

9.11 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their permitted successors and assigns.

9.12 No Recordation. Neither County nor Manager shall file or record any instrument or document relative to this Agreement in the public records in any County or State in which County or Manager are doing business or its assets are situated.

9.13 Notice of Health Insurance Portability and Accountability (HIPPA) and Patient Privacy Law Compliance.

(a) Manager acknowledges that it may have direct or incidental access to Protected Health Information or PHI or contact with patients. For purposes of this Section, “**Protected Health Information**” or “**PHI**” shall have the meaning provided by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 (the “**Privacy Standards**”) as promulgated by the Department of Health and Human Services (“**HHS**”) pursuant to the Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”) (42 U.S.C. Section 1320d, et seq.), California Civil Code Section 56.20 et seq. and other applicable California laws (each and collectively, the “**HIPAA Laws**”).

(b) Manager will endeavor to implement reasonable safeguards to protect the PHI from any intentional or unintentional disclosure to third parties in violation of the Privacy Standards by implementing appropriate administrative, technical, and physical safeguards to limit incidental disclosures of PHI. The parties agree that neither the Manager nor Manager’s representatives shall need access to, nor shall Manager or the Manager representatives use or disclose, any PHI of a tenant. In the event, however, PHI is disclosed to Manager or the Manager representatives, either directly or indirectly and regardless of whether the disclosure is inadvertent or otherwise, Manager agrees to take reasonable steps to maintain, and to require Manager’s representatives to maintain, the privacy and confidentiality of such PHI, including that no PHI will be knowingly removed from the Property by Manager or the Manager representatives, and no PHI will be discussed with or otherwise knowingly disclosed to any other person or entity. Manager agrees to immediately notify County upon learning of any disclosure of PHI to Manager or the Manager representatives. The parties agree that the foregoing does not create, and is not intended to create, a “business associate” relationship between the parties as that term is defined by the Privacy Standards.

9.14 Standard County Provisions. Manager shall comply with the provisions set forth in Exhibit C attached hereto.

[SIGNATURES FOLLOW ON NEXT PAGE]

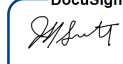
IN WITNESS WHEREOF, the parties hereto have executed this Management Agreement as of the day and year first above written.

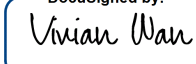
“COUNTY”

“MANAGER”

COUNTY OF SANTA CLARA, a political subdivision of the State of California

ABODE SERVICES, a California public benefit corporation

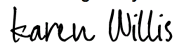
DocuSigned by:

By _____
Name: _____
Title: _____

DocuSigned by:

By _____
Name: VIVIAN WAN
Title: COO

Date: 9/3/2020, 2020

Date: 9/2/2020, 2020

APPROVED AS TO FORM AND LEGALITY:

DocuSigned by:

KAREN M. WILLIS 9/2/2020

KAREN M. WILLIS
Deputy County Counsel

EXHIBIT A
DEPICTION OF PROPERTY

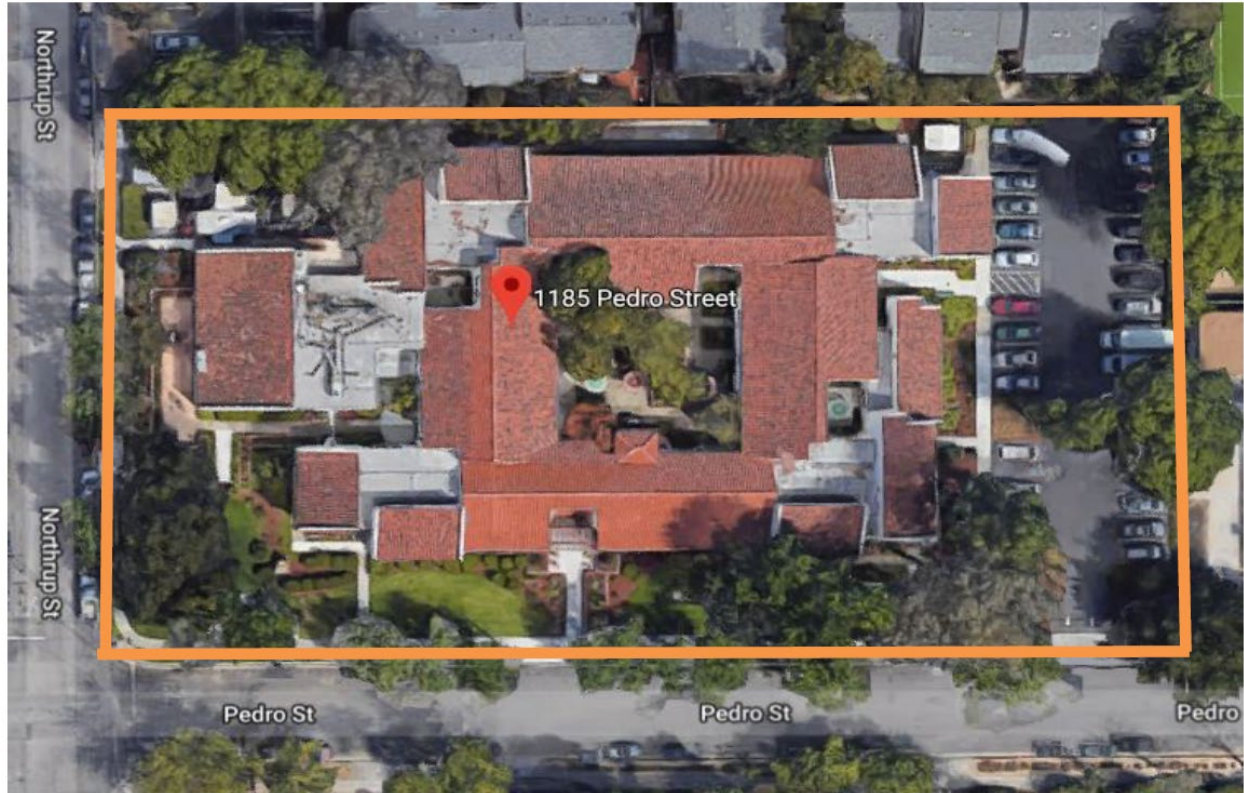


EXHIBIT B

MANAGER'S INDEMNIFICATION AND INSURANCE
[Subject to County Risk Management Review]

INSURANCE REQUIREMENTS FOR STANDARD CONTRACTS ABOVE \$100,000

Indemnity

The Contractor shall indemnify, defend, and hold harmless the County of Santa Clara (hereinafter "County"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. The Contractor shall reimburse the County for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Contractor is obligated to indemnify, defend and hold harmless the County under this Agreement.

Insurance

Without limiting the Contractor's indemnification of the County, the Contractor shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of this Agreement, the Contractor shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a certified copy of the policy or policies shall be provided by the Contractor upon request.

This verification of coverage shall be sent to the requesting County department, unless otherwise directed. The Contractor shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by the County. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

B. Qualifying Insurers

All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to

the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Insurance Manager.

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified County insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the County of Santa Clara or their designated agent.

D. Insurance Required

1. Commercial General Liability Insurance - for bodily injury (including death) and property damage which provides limits as follows:

- a. Each occurrence - \$1,000,000
- b. General aggregate - \$2,000,000
- c. Products/Completed Operations aggregate - \$2,000,000
- d. Personal Injury- \$1,000,000

2. General liability coverage shall include:

- a. Premises and Operations
- b. Products/Completed
- c. Personal Injury liability
- d. Severability of interest

3. General liability coverage shall include the following endorsement, a copy of which shall be provided to the County:

Additional Insured Endorsement, which shall read:

“County of Santa Clara, and members of the Board of Supervisors of the County of Santa Clara, and the officers, agents, and employees of the County of Santa Clara, individually and collectively, as additional insureds.”

Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by the County of Santa Clara, its officers, agents, and employees shall be excess only and not contributing with insurance provided under this policy. Public Entities may also be added to the additional insured endorsement

as applicable and the contractor shall be notified by the contracting department of these requirements.

4. Automobile Liability Insurance

For bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned and hired vehicles.

4a. Aircraft/Watercraft Liability Insurance (Required if Contractor or any of its agents or subcontractors will operate aircraft or watercraft in the scope of the Agreement)

For bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned and hired aircraft/watercraft.

5. Workers' Compensation and Employer's Liability Insurance

a. Statutory California Workers' Compensation coverage including broad form all-states coverage.

b. Employer's Liability coverage for not less than one million dollars (\$1,000,000) per occurrence.

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the County or its insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.

2. The County acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self- insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement. Any self- insurance shall be approved in writing by the County upon satisfactory evidence of financial capacity. Contractors obligation hereunder may be satisfied in whole or in part by adequately funded self- insurance programs or self- insurance retentions.

3. Should any of the work under this Agreement be sublet, the Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractor may insure subcontractors under its own policies.

4. The County reserves the right to withhold payments to the Contractor in the event of material noncompliance with the insurance requirements outlined above.

F. Fidelity Bonds (Required only if contractor will be receiving advanced funds or payments) Before receiving compensation under this Agreement, Contractor will furnish County with evidence that all officials, employees, and agents handling or having access to funds received or disbursed under this Agreement, or authorized to sign or countersign checks, are covered by a BLANKET FIDELITY BOND in an amount of AT LEAST fifteen percent (15%) of the maximum financial obligation of the County cited herein. If such bond is canceled or reduced, Contractor will notify County immediately, and County may withhold further payment to Contractor until proper coverage has been obtained. Failure to give such notice may be cause for termination of this Agreement, at the option of County.

EXHIBIT C
STANDARD PROVISIONS

A. CONFLICTS OF INTEREST

Contractor shall comply, and require its subcontractors to comply, with all applicable (i) requirements governing avoidance of impermissible client conflicts; and (ii) federal, state and local conflict of interest laws and regulations including, without limitation, California Government Code section 1090 et. seq., the California Political Reform Act (California Government Code section 87100 et. seq.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations section 18700 et. seq.). Failure to do so constitutes a material breach of this Agreement and is grounds for immediate termination of this Agreement by the County.

In accepting this Agreement, Contractor covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of this Agreement.

Contractor further covenants that, in the performance of this Agreement, it will not employ any contractor or person having such an interest. Contractor, including but not limited to contractor's employees and subcontractors, may be subject to the disclosure and disqualification provisions of the California Political Reform Act of 1974 (the "Act"), that (1) requires such persons to disclose economic interests that may foreseeably be materially affected by the work performed under this Agreement, and (2) prohibits such persons from making or participating in making decisions that will foreseeably financially affect such interests.

B. ASSIGNMENT OF CLAYTON ACT, CARTWRIGHT ACT CLAIMS

Contractor assigns to the County all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the Contractor for sale to the County pursuant to this Agreement.

C. COMPLIANCE WITH ALL LAWS, INCLUDING NONDISCRIMINATION, EQUAL OPPORTUNITY, AND WAGE THEFT PREVENTION

(1) Compliance with All Laws. Contractor shall comply with all applicable Federal, State, and local laws, regulations, rules, and policies (collectively, "Laws"), including but not limited to the non-discrimination, equal opportunity, and wage and hour Laws referenced in the paragraphs below.

(2) Compliance with Non-Discrimination and Equal Opportunity Laws: Contractor shall comply with all applicable Laws concerning nondiscrimination and equal opportunity in employment and contracting, including but not limited to the following: Santa Clara County's policies for contractors on nondiscrimination and equal opportunity; Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; the Age Discrimination in Employment Act of 1967; the Rehabilitation Act of 1973 (Sections 503 and 504); the Equal Pay Act of 1963; California Fair Employment and Housing Act (Gov. Code § 12900 et seq.); California Labor Code sections 1101,

1102, and 1197.5; and the Genetic Information Nondiscrimination Act of 2008. In addition to the foregoing, Contractor shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political belief, organizational affiliation, or marital status in the recruitment, selection for training (including but not limited to apprenticeship), hiring, employment, assignment, promotion, layoff, rates of pay or other forms of compensation. Nor shall Contractor discriminate in the provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

(3) **Compliance with Wage and Hour Laws:** Contractor shall comply with all applicable wage and hour Laws, which may include but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code, and, if applicable, any local minimum wage, prevailing wage, or living wage Laws.

(4) **Definitions:** For purposes of this Subsection H, the following definitions shall apply. A “Final Judgment” shall mean a judgment, decision, determination, or order (a) which is issued by a court of law, an investigatory government agency authorized by law to enforce an applicable Law, an arbiter, or arbitration panel and (b) for which all appeals have been exhausted or the time period to appeal has expired. For pay equity Laws, relevant investigatory government agencies include the federal Equal Employment Opportunity Commission, the California Division of Labor Standards Enforcement, and the California Department of Fair Employment and Housing. Violation of a pay equity Law shall mean unlawful discrimination in compensation on the basis of an individual’s sex, gender, gender identity, gender expression, sexual orientation, race, color, ethnicity, or national origin under Title VII of the Civil Rights Act of 1964 as amended, the Equal Pay Act of 1963, California Fair Employment and Housing Act, or California Labor Code section 1197.5, as applicable. For wage and hour Laws, relevant investigatory government agencies include the federal Department of Labor, the California Division of Labor Standards Enforcement, and the City of San Jose’s Office of Equality Assurance.

Prior Judgments, Decisions or Orders against Contractor: By signing this Agreement, Contractor affirms that it has disclosed any final judgments that (A) were issued in the five years prior to executing this Agreement by a court, an investigatory government agency, arbiter, or arbitration panel and (B) found that Contractor violated an applicable wage and hour law or pay equity law. Contractor further affirms that it has satisfied and complied with – or has reached Agreement with

(6) **Violations of Wage and Hour Laws or Pay Equity Laws During Term of Contract:** If at any time during the term of this Agreement, Contractor receives a Final Judgment rendered against it for violation of an applicable wage and hour Law or pay equity Law, then Contractor shall promptly satisfy and comply with any such Final Judgment. Contractor shall inform the Office of the County Executive-Office of Countywide Contracting Management (OCCM) of any relevant Final Judgment against it within 30 days of the Final Judgment becoming final or of learning of the Final Judgment, whichever is later. Contractor shall also provide any documentary evidence of compliance with the Final Judgment within 5 days of satisfying the Final Judgment. Any notice required by this paragraph

shall be addressed to the Office of the County Executive-OCCM at 70 W. Hedding Street, East Wing, 11th Floor, San José, CA 95110. Notice provisions in this paragraph are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the Office of the County Executive-OCCM satisfies the notice requirements in this paragraph.

(7) Access to Records Concerning Compliance with Pay Equity Laws: In addition to and notwithstanding any other provision of this Agreement concerning access to Contractor's records, Contractor shall permit the County and/or its authorized representatives to audit and review records related to compliance with applicable pay equity Laws. Upon the County's request, Contractor shall provide the County with access to any and all facilities and records, including but not limited to financial and employee records, that are related to the purpose of this Subsection H, except where prohibited by federal or state laws, regulations or rules. County's access to such records and facilities shall be permitted at any time during Contractor's normal business hours upon no less than 10 business days' advance notice.

(8) Pay Equity Notification: Contractor shall (1) at least once in the first year of this Agreement and annually thereafter, provide each of its employees working in California and each person applying to Contractor for a job in California (collectively, "Employees and Job Applicants") with an electronic or paper copy of all applicable pay equity Laws or (2) throughout the term of this Agreement, continuously post an electronic copy of all applicable pay equity Laws in conspicuous places accessible to all of Contractor's Employees and Job Applicants.

(9) Material Breach: Failure to comply with any part of this Subsection H shall constitute a material breach of this Agreement. In the event of such a breach, the County may, in its discretion, exercise any or all remedies available under this Agreement and at law. County may, among other things, take any or all of the following actions:

- (i) Suspend or terminate any or all parts of this Agreement.
- (ii) Withhold payment to Contractor until full satisfaction of a Final Judgment concerning violation of an applicable wage and hour Law or pay equity Law.
- (iii) Offer Contractor an opportunity to cure the breach.

(10) Subcontractors: Contractor shall impose all of the requirements set forth in this Subsection H on any subcontractors permitted to perform work under this Agreement. This includes ensuring that any subcontractor receiving a Final Judgment for violation of an applicable Law promptly satisfies and complies with such Final Judgment.

D. COUNTY NO-SMOKING POLICY

Contractor and its employees, agents and subcontractors, shall comply with the County's No-Smoking Policy, as set forth in the Board of Supervisors Policy Manual section 3.47 (as amended from time to time), which prohibits smoking: (1) at the Santa Clara Valley Medical Center Campus and all County-owned and operated health facilities, (2) within 30 feet surrounding County-owned buildings and leased buildings where the County is the sole occupant, and (3) in all County vehicles.

E. FOOD AND BEVERAGE STANDARDS

Except in the event of an emergency or medical necessity, the following nutritional standards shall apply to any foods and/or beverages purchased by Contractor with County funds for County-

sponsored meetings or events.

If food is to be provided, healthier food options shall be offered. "Healthier food options" include (1) fruits, vegetables, whole grains, and low fat and low calorie foods; (2) minimally processed foods without added sugar and with low sodium; (3) foods prepared using healthy cooking techniques; and (4) foods with less than 0.5 grams of trans fat per serving. Whenever possible, Contractor shall (1) offer seasonal and local produce; (2) serve fruit instead of sugary, high calorie desserts; (3) attempt to accommodate special, dietary and cultural needs; and (4) post nutritional information and/or a list of ingredients for items served. If meals are to be provided, a vegetarian option shall be provided, and the Contractor should consider providing a vegan option. If pre-packaged snack foods are provided, the items shall contain: (1) no more than 35% of calories from fat, unless the snack food items consist solely of nuts or seeds; (2) no more than 10% of calories from saturated fat; (3) zero trans fat; (4) no more than 35% of total weight from sugar and caloric sweeteners, except for fruits and vegetables with no added sweeteners or fats; and (5) no more than 360 mg of sodium per serving.

If beverages are to be provided, beverages that meet the County's nutritional criteria are (1) water with no caloric sweeteners; (2) unsweetened coffee or tea, provided that sugar and sugar substitutes may be provided as condiments; (3) unsweetened, unflavored, reduced fat (either nonfat or 1% low fat) dairy milk; (4) plant-derived milk (e.g., soy milk, rice milk, and almond milk) with no more than 130 calories per 8 ounce serving; (5) 100% fruit or vegetable juice (limited to a maximum of 8 ounces per container); and (6) other low-calorie beverages (including tea and/or diet soda) that do not exceed 40 calories per 8 ounce serving. Sugar-sweetened beverages shall not be provided.

F. CONTRACTING PRINCIPLES

All entities that contract with the County to provide services where the contract value is \$100,000 or more per budget unit per fiscal year and/or as otherwise directed by the Board, shall be fiscally responsible entities and shall treat their employees fairly. To ensure compliance with these contracting principles, all contractors shall: (1) comply with all applicable federal, state and local rules, regulations and laws; (2) maintain financial records, and make those records available upon request; (3) provide to the County copies of any financial audits that have been completed during the term of the contract; (4) upon the County's request, provide the County reasonable access, through representatives of the Contractor, to facilities, financial and employee records that are related to the purpose of the contract, except where prohibited by federal or state laws, regulations or rules.

G. CALIFORNIA PUBLIC RECORDS ACT

The County is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA"). If Contractor's proprietary information is contained in documents or information submitted to County, and Contractor claims that such information falls within one or more CPRA exemptions, Contractor must clearly mark such information "CONFIDENTIAL AND PROPRIETARY," and identify the specific lines containing the information. In the event of a request for such information, the County will make best efforts to provide notice to Contractor prior to such disclosure. If Contractor contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in Santa Clara County before the County is required to respond to the CPRA request. If Contractor fails to obtain such remedy within the time the County is required to respond to the CPRA request, County may disclose the requested information.

Contractor further agrees that it shall defend, indemnify and hold County harmless against any claim,

action or litigation (including but not limited to all judgments, costs, fees, and attorney's fees) that may result from denial by County of a CPRA request for information arising from any representation, or any action (or inaction), by the Contractor.

H. OWNERSHIP RIGHTS TO MATERIALS / RESTRICTIONS ON USE

All materials obtained, developed or prepared by Contractor in the course of performing services hereunder, including but not limited to videotapes, audio recordings, still photographs, ads or brochures, and the derivative works, patent, copyright, trademark, trade secret or other proprietary rights associated therewith (collectively "Deliverables"), shall be the sole and exclusive property of the County. To the extent Contractor owns or claims ownership rights to said Deliverables, Contractor hereby expressly assigns all said rights, title, and interest in and to the Deliverables to the County pursuant to the terms and conditions of this Agreement and at no additional cost. The County has the exclusive royalty-free irrevocable right to duplicate, publish or otherwise use for any purpose, all materials prepared under this Agreement. If Contractor wishes to use the materials prepared hereunder for any purpose including but not limited to promotional, educational or commercial purposes, the Contractor shall obtain prior written authorization from the County, which consent may be withheld by the County in its sole discretion. Contractor acknowledges that all original works of authorship which are made by Contractor (solely or jointly with others) within the scope of this Agreement and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act (17 U.S.C., Section 101), and shall belong solely to County. Contractor agrees that the County will be the copyright owner in all copyrightable works of every kind and description created or developed by Contractor, solely or jointly with others, in connection with any agreement with the County. If requested to, and at no further expense to the County, Contractor will execute in writing any acknowledgments or assignments of copyright ownership of such copyrightable works as may be appropriate for preservation of the worldwide ownership in the County and its nominees of such copyrights. This section shall apply to the extent not otherwise provided under this agreement.

I. INTELLECTUAL PROPERTY RIGHTS:

Ownership: County shall own all right, title and interest in and to the Deliverables. For purposes of this Agreement, the term "Deliverables" shall mean any documentation and deliverables created by Contractor during the performance of services that are identified in this Agreement. Contractor hereby assigns to the County all rights, title and interest in and to any and all intellectual property whether or not patentable or registrable under patent, copyright, trademark or similar statutes, made or conceived or reduced to practice or learned by Contractor, either alone or jointly with others, during the period of Contractor's agreement with the County or result from the use of premises leased, owned or contracted for by the County.

Contractor acknowledges that all original works of authorship which are made by Contractor (either solely or jointly with others) within the scope of this Agreement and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. Section 101), and shall belong solely to County. Contractor agrees that the County will be the copyright owner in all copyrightable works of every kind and description created or delivered by Contractor, either solely or jointly with others, in connection with any agreement with the County. This agreement does not, and is not intended to, confer any rights or remedies upon any person or entity other than the parties.

J. INTELLECTUAL PROPERTY INDEMNITY

Contractor represents and warrants for the benefit of the County and its users that, to its knowledge, as of the effective date of this Agreement, Contractor is the exclusive owner of all rights, title and interest in the Deliverables and/or services provided pursuant to this Agreement. Contractor shall defend, indemnify and hold the County harmless against any claim, action or litigation (including but not limited to all judgments, costs, fees, and reasonable attorney's fees) by a third party alleging the Deliverables and/or services provided pursuant to this Agreement infringe upon any intellectual property rights

of third parties. This indemnity and duty to defend is in addition to and does not supersede the requirements stated in VII of this agreement.

K. COUNTY DATA

"County Data" shall mean data and information received by Contractor from County. As between Contractor and County, all County Data shall remain the property of the County. Contractor shall not acquire any ownership interest in the County Data. Contractor shall not, without County's written permission consent, use or disclose the County Data other than in the performance of its obligations under this Agreement. Contractor shall be responsible for establishing and maintaining an information security program that is designed to ensure the security and confidentiality of County Data, protect against any anticipated threats or hazards to the security or integrity of County Data, protect against unauthorized access to or use of County Data that could result in substantial harm or inconvenience to County or any end users; and ensure the proper disposal of County data upon termination of this Agreement. Contractor shall take appropriate action to address any incident of unauthorized access to County Data, including addressing and/or remedying the issue that resulted in such unauthorized access, notifying County as soon as possible of any incident of unauthorized access to County Data, or any other breach in Contractor's security that materially affects County or end users; and be responsible for ensuring compliance by its officers, employees, agents, and subcontractors with the confidentiality provisions hereof. Should confidential and/or legally protected County Data be divulged to unauthorized third parties, Contractor shall comply with all applicable federal and state laws and regulations, including but not limited to California Civil Code Sections 1798.29 and 1798.82 at Contractor's sole expense (if applicable). Contractor shall not charge the County for any expenses associated with Contractor's compliance with the obligations set forth in this section.

SCHEDULE 2.01

MANAGER-LEVEL EMPLOYEES

Within forty-eight (48) hours of execution of this Agreement, Manager shall provide the County with a completed schedule, including employee names and contact information.

Position	Name	Phone and Email
Senior Property Manager		
Property Manager		
Night Manager		
Maintenance Supervisor		
Program Manager		

SCHEDULE 2.05

INTERIM HOUSING PROGRAM

Without limitations on the foregoing, Manager shall:

1. Utilize a strong network of peer support and relationship building in its service delivery, program planning, and policy development;
2. Provide onsite activities, including communal meals, social and recreational opportunities, workshops and classes, and support groups;
3. Provide opportunities for residents to build upon or learn new life skills, with a particular focus on being a successful tenant;
4. Coordinate with ICMs and any other key members of a resident's care team to:
 - a. support residents in identifying and obtaining necessary resources, including income, substance use treatment services, and transportation;
 - b. work with residents on documentation needed by housing subsidy administrator;
 - c. help residents resolve crises or other issues that occur on site; and,
 - d. ensure a welcoming environment focused on supporting residents in their move to permanent housing.

SCHEDULE 2.14(A)

INITIAL APPROVED BUDGET

ADMINISTRATIVE

Office Expenses, Screening, Activities, Equipment, Software		\$42,600
Legal:		\$16,800
Accounting/Audit:		\$23,460
Security Personnel/Contract:		\$441,500
Fire Protection:		\$3,900
Other:	Employee Unit Admin Rent Free Unit	\$7,455
Other:	Telecomm/Travel, Training, Bad Debt, Prof Fees	\$27,872
Total Administrative:		\$563,587

MANAGEMENT FEE

Management Fee		\$84,240
Asset Management Fee		\$8,140
Total Fees:		\$92,380

UTILITIES

Internet:		\$6,300
Gas:		\$3,840
Electricity:		\$96,084
Water/Sewer:		\$43,044
Total Utilities:		\$149,268

PAYROLL TAXES

Property Management (3.8 FTE + Night Manager):		\$200,512
Maintenance (5.20 FTE)		\$261,664
Other:	Desk Clerk - Abode Services Staff (2.0 FTE)	\$87,360
Total Payroll:		\$549,536
Total Benefits:		\$90,854
Total Payroll Taxes:		\$48,922

MAINTENANCE

Painting:		\$2,640
Repairs Materials & Repair Contracts:		\$60,900
Trash Removal:		\$42,264
Exterminating:		\$25,356
Grounds:		\$29,400
Elevator:		\$57,600
Other:	Janitorial Supplies/Vehicle Hauling	\$15,300
Total Maintenance:		\$233,460

Other:	Land Lease - Annual Rent	\$612,352
Other:	Property Liability Insurance	\$24,300
Other:	Interim Housing Services Budget	\$1,046,799
Total Other Expenses:		\$1,683,451

Basis for Management Fee: The management fees are based on the HUD standard of \$78 per unit per month due to permanent adverse conditions and special clientele. The preferences of the target population will be more than 50% of individuals with disabilities (physical, developmental, or mental) and will require continuous project rent-up due to turnover rates for the population.

Basis for Asset Management Fee: Drafting annual financial reports and compliance rent roll reports to funders in compliance with the regulatory agreement requirements, welfare tax exemption filing and source documents, financial analysis of cash flow statements. The asset management fee for this property would be \$8,140.00 annually. This utilizes the CTCAC standard asset management fee for units over 75.

Unit turnover Assumptions: Annual vendor contract at \$52,000 annual (up to 67 units annually - w/ maybe 30-45 units exiting at once) - labor only. Repair materials budgeted separately for unit turnover at \$18,700 not including the items listed in annual capital expense costs.

Security Contract Assumptions: Annual vendor contract of \$441,500.00 for Contracted Cost at \$35/hr at 216 hrs/week & Contracted Costs for Holiday \$42/hr & PTO \$35/hr at 84 hrs/month. See PM FTE tab for additional breakdown of coverage.

Total Annual Residential Operating Expenses:	\$3,411,458
Total Number of Units in the Project:	90
Total Annual Operating Expenses Per Unit:	\$37,905
Total 3-Month Operating Reserve:	\$852,865
Estimated One-Time Capital Expenses:	\$3,000,000
Estimated Annual Reserve for Replacement:	\$71,810
Total Annual Real Estate Taxes:	\$0
Estimated Annual Unit Turnover Expenses:	\$70,700