



SAN DIEGO
HOUSING
COMMISSION

HOUSING AUTHORITY REPORT

DATE ISSUED: January 7, 2011

REPORT NO: HAR11-004

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of February 8, 2011

SUBJECT: Property Management Services Contract for Mariners Village (Council District 4)

REQUESTED ACTION:

Approval by the Housing Authority of the City of San Diego ("Housing Authority") of a property management services contract ("Contract") with Hyder & Company for the management of Mariners Village Apartments.

STAFF RECOMMENDATION:

That the Housing Authority:

- 1) Approve a Contract with Hyder & Company for the property management of Mariners Village Apartments for a total amount not to exceed \$671,416 which equates to \$82,260 or \$40/unit/month in management fees plus \$527,818 in reimbursable expenses (vendors, utilities, etc.).
- 2) Authorize the President and Chief Executive Officer ("CEO") of the San Diego Housing Commission ("Housing Commission"), or designee, to execute the Contract in a form approved by General Counsel.
- 3) Approve a revision adding \$1,106,962 of rental and other income to the FY2011 current budget of \$500,000. This revision will bring the total income expected in FY2011 to \$1,606,962. Of the \$1,106,962 being added to the budget, \$178,027 will be budgeted for management of Mariners Village Apartments from March 15 through June 30, 2011 and the \$928,935 remaining balance will be added to reserves for FY2011 contingency and FY2012 property management costs.

SUMMARY:

On August 6, 2010, the Housing Commission approved the acquisition of Mariners Village, a 172-unit apartment complex located on a 9.46 acre site at the southeast corner of Potomac Street and Paradise Valley Road in the Skyline-Paradise Hills planning community.

On October 27, 2010, the Housing Commission acquired Mariners Village and contracted with the existing property management company, ConAm Management Corporation, to provide its services on an interim basis until a permanent property manager was selected.

The Housing Commission issued a Request for Proposals (RFP) on September 22, 2010, seeking a private management company to manage and service Mariners Village.

Advertisements were placed in the *San Diego Union-Tribune*, *San Diego Daily Transcript*, *La Prensa*, and *Voice & Viewpoint*. In addition, the RFP was posted in the Onvia Demandstar system where 60 notifications were sent as outreach to real estate and property management companies, eleven of which were small and minority/women-owned businesses.

At the closing date on October 21, 2010, there were seven responses from the following companies:

- 1) ConAm Management Corporation,
- 2) Fairfield Properties L.P.,
- 3) Hallmark Asset Management,
- 4) Hyder & Company,
- 5) The John Stewart Company,
- 6) Meissner Jacquet Investment Management Services, and
- 7) Quality First Real Estate.

An evaluation panel from the Real Estate Department subsequently met to evaluate and rank the responses based on selection criteria and a point system listed in the RFP.

Hyder & Company was rated as the most qualified and responsive to the RFP. Hyder & Company provided the most advantageous proposal because of its personnel qualifications and experience managing affordable housing developments. Hyder & Company is the current provider of property management services at the Hotel Sanford.

The contract amount includes 1) a not to exceed amount of \$82,560 for management fees (monthly fee of \$40 per unit) and 2) a not to exceed amount of \$527,818 for reimbursable expenses. The reimbursable expenses include payroll expenses, start-up costs, vendor service contracts, and utilities. The amount also includes a ten percent contingency of \$61,038 for items not anticipated in the original scope of work; President/CEO approval is required to expend this contingency. The contract amount is not to exceed \$671,416. Attached to this report is a summary of operating expenses.

The proposed contract term is for one year with the Housing Commission's option to renew for two additional one-year terms. The contract will be effective on or about March 15, 2011.

FISCAL CONSIDERATIONS:

The current FY2011 budget includes \$500,000 of expense and revenue for the management of Mariners Village through March 15, 2011. The proposed budget revisions adding \$1,106,962 will provide for the management of Mariner's Village through June 30, 2011 with reserves set aside for property management costs in FY2012. The revenue source for these expenditures will be rental income, parking, storage, and laundry income from Mariners Village.

EQUAL OPPORTUNITY/CONTRACTING:

Hyder & Company is not certified as a Disadvantaged, Women-Owned, or Disabled Veteran Business Enterprise. A Certificate of Compliance and a Workforce Analysis was provided and shows that this vendor is in compliance with the Housing Commission Equal Opportunity Program and Federal, State, and Local laws. Information on the Workforce Analysis indicates that 89 percent of the company's workforce is disadvantaged.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On January 21, 2011, the Housing Commission recommended approval for Contract with Hyder & Company for the property management of Mariners Village for a total not to exceed \$671,416.

On November 12, 2010, and November 30, 2010, the Housing Commission and Housing Authority, respectively, approved an amendment to the existing temporary property management contract to increase the total amount from \$249,500 to \$500,000, which allowed the existing property management company to manage Mariners Village until the selection of a permanent property manager.

On August 6, 2010, the Housing Commission approved the acquisition of the Mariners Village and its temporary property management budget.

On May 11, 2010, the Housing Authority approved the Housing Commission FY2011 Budget.

ENVIRONMENTAL REVIEW:

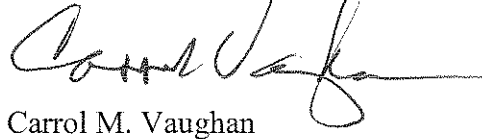
This activity is not a project pursuant to State of California Environmental Quality Act (CEQA) Guidelines. Therefore, no CEQA processing is required. Processing under the National Environmental Policy Act is not required since no federal funds are implicated in the action.

Respectfully submitted,



Raymond Rull
Senior Program Analyst

Approved by,



Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

- Attachments: 1. Operating Expense Summary
2. Property Management Services Contract
3. Proposed Budget Revision for FY2011-2012 Operating Budget

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.

SUMMARY OF EXPENSES- Permanent Property Management Services
Contract for Mariners Village

Operating Expense	Monthly	Not to Exceed Amount for Contract
Property Management Fee	\$6,880.00	\$82,560.00
Reimbursable Expenses		
Salary- Manager	\$3,466.67	\$41,600.00
Salary- Assistant Manager	\$2,773.33	\$33,280.00
Salary- Part-time Lease-up Agent	\$368.33	\$4,420.00
Salary- Maintenance Director	\$2,946.67	\$35,360.00
Salary- Maintenance Staffer	\$2,600.00	\$31,200.00
Salary- Porter	\$2,426.67	\$29,120.00
Payroll Burden	\$4,501.67	\$54,020.00
Computer & Software	\$222.33	\$2,668.00
Check Scanner	\$50.00	\$600.00
Marketing & Advertising	\$800.00	\$9,600.00
Gardening & Landscaping	\$3,500.00	\$42,000.00
HVAC Maintenance	\$200.00	\$2,400.00
Security Services	\$650.00	\$7,800.00
Pest Control	\$250.00	\$3,000.00
Pool Maintenance	\$262.50	\$3,150.00
Fire/Safety Maintenance	\$100.00	\$1,200.00
Trash & Recycling Service	\$2,200.00	\$26,400.00
Utilities	\$16,666.67	\$200,000.00
Reimbursable Expenses Subtotal	\$43,984.83	\$527,818.00
TOTAL OPERATING EXPENSES	\$50,864.83	\$610,378.00
CONTINGENCY (10%)		\$61,038.00
GRAND TOTAL		\$671,416.00

SAN DIEGO HOUSING COMMISSION
PROPERTY MANAGEMENT SERVICES
WITH
HYDER & COMPANY

THIS AGREEMENT, entered into this ____ day of _____ 2011,

between the Commission:

SAN DIEGO HOUSING COMMISSION
1122 Broadway, Ste 300
San Diego, California 92101
(619) 231-9400

and the Contractor:

HYDER & COMPANY
1649 Capalina Road, Suite 500
San Marcos, CA 92069
760-591-9737
Email: smargetic@hyderco.com

101. DESCRIPTION OF WORK

Commission is the Owner of that certain multifamily rental property commonly referred to as Mariner's Village, located at 6847 Potomac Street, in the City of San Diego, California (the "Property"). Contractor shall provide Property Management Services to the Commission for management of the Property as generally described in the Specifications/Scope of Services attached hereto.

102. CONTRACT ATTACHMENTS

The above services shall be performed in accordance with the following listed documents which are attached hereto and made a part hereof:

1. General Provisions, Contract Attachment No. 1
2. Specifications/Scope of Service, Contract Attachment No. 2
3. Compensation and Operating Expense Schedule, Contract Attachment No. 3
4. Certificate of Compliance, Contract Attachment No. 4
5. Workforce Report, Contract Attachment No. 5

103. TIME OF PERFORMANCE

All services required pursuant to this Agreement shall commence effective March 15, 2011 through March 14, 2012.

a. Options

Provided that the Contractor is not in default under the terms of this Agreement, the President and Chief Executive Officer of the Commission may, at its election, extend the term of this Agreement for two (2) additional one-year terms, by giving written notice of the election to extend the Agreement to the Contractor, in advance of the expiration of the prior term of the Agreement. The Compensation to be paid to Contractor during the extended term, if any, shall be compensation set during the base year of the Agreement. Nothing contained in this Section shall require Commission to exercise any or all of the options to extend the term of the Agreement. The options exist in favor of the Commission, at its sole option. All other terms and conditions of the Agreement during the option period(s) shall be as set forth in the Agreement and shall be unamended by the exercise of any option granted herein. The Options in the Section 103 are in addition to any extensions or options provided for in Section 224 of this Agreement.

104. COMPENSATION AND METHOD OF PAYMENT

a. Property Management Fees and Reimbursements

For property management services performed under this Agreement, the Commission shall pay the Contractor Eighty Two Thousand Five Hundred Sixty and No/100 Dollars (\$82,560.00) per year as identified in Contract Attachment No. 3, which is estimated to be Six Thousand Eight Hundred Eighty and No/100 Dollars (\$6,880.00) per month. Commission shall reimburse Contractor for on-site staff payroll expenses at the rates set forth in Table 1 of Contract Attachment No. 3 attached hereto and made a part hereof.

b. Maximum Contract Expenditures

During the term of this Agreement, Contractor shall be authorized to spend an amount not to exceed Five Hundred Twenty Seven Thousand Eight Hundred Eighteen and No/100 Dollars (\$527,818.00) as set forth in the approved operating budget for the Property, attached hereto as Attachment No. 3, Table 1 and made a part hereof (the "Approved Budget Amount"). It shall be the responsibility of the Contractor to monitor its property management services as specified in Contract Attachment No. 2 (Specifications) with the approved budget expenditure. In the event that the operating expenses of the Property exceed the budget expenditure before the term of the Agreement expires, Contractor shall promptly notify the Commission. Contractor acknowledges that, during the term of this Agreement, the Commission is under no obligation to compensate and/or reimburse Contractor for services rendered or operating expenses accrued under this Agreement in excess of Five Hundred Twenty Seven Thousand Eight Hundred Eighteen and No/100 Dollars (\$527,818.00). Provided, however, the Commission reserves the right to increase the total compensation by a contingency amount not to exceed ten percent (10%) of the combined operating budget and management fee, so that the total of both shall not exceed the sum of

\$671,416.00 in any calendar year.

Further, the Commission may cancel the Agreement, without cause, by written notice to the Contractor at any time during the term of the Agreement, or any extension thereto, in the event that the Commission and/or the Housing Authority of the City of San Diego ("Housing Authority") fails to appropriate funds for the rendition of services set forth in this Agreement. This right to cancel is in addition to the rights of the Commission to terminate the Agreement as set forth in Section 214 of this Agreement.

c. Method of Payment

The Contractor may pay its management fee and reimburse itself for its on-site payroll expense from the General Operating Account, provided that the reimbursement does not exceed the estimated operating budget. If such reimbursement will exceed the budget amounts, then the Contractor shall seek approval from the Commission for such reimbursement in excess of the budgeted amount, which approval, the Commission shall not unreasonably withhold.

105. NOTICES

Notices to the parties shall, unless otherwise requested in writing, be sent to the Commission and the Contractor at the addresses given above.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

COMMISSION:
SAN DIEGO HOUSING COMMISSION

By: _____
Deborah Ruane
Vice President

Date: _____

CONTRACTOR:

HYDER & Company

Date: _____
Stephen J. Margetic
President

Date: 1-22-11

Approved as to Form:
Christensen & Spath, LLP

By: _____
Charles B. Christensen
General Counsel
San Diego Housing Commission

Date: _____

CONTRACT ATTACHMENT NO. 1

200. GENERAL PROVISIONS

201. Status of Contractor

This Agreement calls for the performance of the services of the consultant as an independent contractor. Contractor will not be considered an employee of the Commission for any purpose.

202. Ownership of Materials and Documents

Any and all sketches, drawings and other materials and documents prepared by the Contractor shall be the property of the Commission from the moment of their preparation, and the Contractor shall deliver such materials and documents to the Commission whenever requested to do so by the Commission. However, the Contractor shall have the right to make duplicate copies of such materials and documents for his own file, or for other purposes as may be authorized in writing by the Commission.

203. Non-Disclosure

The designs, plans, reports, investigations, materials, and documents prepared or acquired by the Contractor pursuant to this Agreement (including any duplicate copies kept by the Contractor) shall not be shown or disclosed to any other public or private person or entity directly or indirectly, except as authorized by the Commission. The Contractor shall not disclose to any other public or private person or entity directly or indirectly, any information regarding the activities of the Commission during the term of this Agreement or at any time thereafter except as authorized by the Commission.

204. Conflict of Interest

(a) For the duration of this Agreement, the Contractor will not act as a consultant or perform services of any kind for any person or entity which would conflict with the services to be provided herein, without the written consent of the Commission.

(b) A conflict occurs when circumstances, known to the Contractor, place the Commission and the Contractor's new client in adverse, hostile or incompatible positions wherein the interests of the Commission, the Housing Authority, or the City of San Diego may be jeopardized. Contractor shall promptly notify the Commission in the event that such a conflict occurs.

(c) In the event of such a conflict, Contractor shall meet and confer with the Commission to agree upon modifications of its relationship with said new client or Commission in order to continue to perform services for said client and/or Commission without compromising the interests of either. Should no agreement regarding modification be reached, Commission may terminate this Agreement with Contractor.

(d) When consent has been given, Contractor shall endeavor to avoid involvement on behalf of said new client which would in any manner undermine the effective performance of services by Contractor for Commission. Under no circumstances may Contractor convey, utilize, or permit to be utilized, confidential information gained through its association with Commission for the benefit of any other client.

(e) Contractor agrees to alert every client for whom consent is required, to the existence of this conflict of interest provision and to include language in its agreement with said client which would enable Contractor to comply fully with its terms. This last paragraph shall not apply to existing clients of the Contractor for which Contractor has previously received the Commission's consent.

(f) This Agreement may be unilaterally and immediately terminated by the Commission if Contractor employs an individual who, within twelve months immediately preceding such employment, in their capacity as a Commission employee, participated in negotiations with or otherwise had an influence on the selection of the Contractor.

205. Contractor's Liability

(a) The Contractor shall be responsible for all injuries to persons and for all damages to real or personal property of the Commission or others, caused by or resulting from the negligence of itself, its employees, or its agents during the progress of or connected with the rendition of services hereunder.

(b) Contractor shall indemnify, hold harmless and defend the Commission, the Housing Authority, the City of San Diego, and all officers and employees of each agency from any and all liability, claims, costs (including reasonable attorney's fees), damages, expenses and causes of action:

- (1) for damages to real or personal property, or personal injury to any third party resulting from the negligence of Contractor, its employees or its agents; or
- (2) for any breach of any obligations, duties or covenants of Contractor under this Agreement or transactions related to it.

(c) Contractor's duty to indemnify, hold harmless and defend shall not include any claims or liabilities arising from the sole negligence or willful misconduct of the Commission, Housing Authority, City of San Diego or any of their respective officers, employees or agents.

206. Insurance

Contractor shall not commence work until Contractor has obtained, at its sole cost and expense, all insurance required under this Section. The insurance obtained must be approved by the Commission. Contractor agrees to the following:

- (a) Contractor shall provide public liability and property damage insurance in the

minimum amount of Five Million Dollars (\$5,000,000.00) for injury to or death of one or more persons and/or property damage arising out of a single accident or occurrence, insuring against all liability of the Commission, Contractor, its subcontractors and its authorized representatives, arising out of or in connection with the Contractor's performance of work under this Agreement.

(b) Contractor shall purchase and maintain in full force and effect worker's compensation insurance for contractors, subcontractors, employees and agents in form and amount acceptable to the Commission during the full term of this Agreement.

(c) Contractor shall provide automobile liability insurance on owned and non-owned motor vehicles used in the performance of services as detailed in the Scope of Services, both on site or in connection therewith for a combined single limit for bodily injury and property damage of no less than Two Million Dollars (\$2,000,000.00) per occurrence.

(d) Contractor shall obtain, and at all times during the term of this Agreement shall maintain, professional errors and omissions liability coverage in the minimum amount of One Million Dollars (\$1,000,000.00).

(e) Contractor shall obtain, and at all times during the term of this Agreement shall maintain, fidelity bond insurance coverage in the minimum amount of Fifty Thousand Dollars (\$50,000.00).

(f) All insurance required to be purchased and maintained by the Contractor shall name the Commission, the Housing Authority and the City of San Diego as additional insureds and shall contain cross-liability endorsements.

(g) For any claims arising out of or in connection with Contractor's performance under this Agreement, the insurance required to be purchased and maintained by the Contractor shall be primary and non-contributory to any insurance carried by the Commission, the Housing Authority and/or the City of San Diego.

(h) The Contractor shall furnish to the Commission Certificates of Insurance evidencing the insurance carried in compliance with this Section 206. This Certificate shall contain a provision that at least 30 days prior written notice will be given to the Commission in the event of cancellation, reduction or nonrenewal of the insurance.

(i) All insurance required to be purchased and maintained by the Contractor shall be endorsed with a waiver of subrogation. Contractor's insurers, in their endorsements, agree to waive all rights of subrogation against the Commission, the Housing Authority, the City of San Diego, and their employees and agents for losses paid by Contractor's insurers that arise out of or in connection with Contractor's performance under this Agreement.

207. Correction of Work

The performance of services by the Contractor shall not relieve the Contractor from any obligation to correct any incomplete, inaccurate or defective work at no further cost to the

Commission, when such inaccuracies are due to the negligence of the Contractor, provided such work has not been accepted in writing by an authorized representative of the Commission.

208. Equal Opportunity Programs

During the performance of this Agreement, the Contractor agrees as follows:

(a) Contractor shall comply with all applicable local, state and federal Equal Opportunity Programs, as well as any other applicable local, state and federal law. Each month, the Contractor will report to the project manager, payments made to all vendors by month, contract to date and percentage of overall contract value.

(b) Contractor and each subcontractor, if any, shall fully comply with and shall submit a Report of San Diego County Workforce Report and Certificate of Compliance with Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act, and any other applicable Federal and State law and regulations hereinafter enacted.

(c) Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, gender, disability or national origin or any other basis prohibited by law. Contractor shall ensure that applicants for employment and employees are treated equally without regard to their race, color, religion, ancestry, gender, disability or national origin or any other basis prohibited by law.

(d) If any underrepresentation is found after submission of Contractor's workforce report, the Commission may request an equal employment opportunity plan (EEOP). An acceptable plan to correct the identified underrepresented categories must be submitted within 30 days. Once the EEOP has been approved by the Commission, the Contractor must adhere to said plan. In the case of multi-year contracts, the Contractor will be required to submit annual workforce reports and EEOP updates as requested.

(e) Contractor understands that failure to comply with the above requirements and/or submitting false information in response to these requirements may result in penalties provided for in State and Federal law. In addition, the Contractor may, at the election of the Commission, be disbarred from participating in Commission projects for not less than one (1) year.

209. Cost Records

In accordance with generally accepted accounting principles, the Contractor shall maintain full and complete records of the cost of services performed under this Agreement. Such records shall be open to the inspection of the Commission or to the appropriate federal agencies after reasonable notice, and at reasonable times.

210. Subcontracting

(a) No services covered by this Agreement shall be subcontracted without the prior written consent of the Commission.

(b) In order to obtain consent, Contractor shall submit a list of all potential subcontractors, and a description of work to be performed by each subcontractor, to the Commission. Once this list has been approved, no changes to the list will be allowed except by written approval of the Commission.

(c) The Contractor shall be as fully responsible to the Commission for the acts and omissions of his subcontractors, and of persons directly or indirectly employed by them, as he is for acts and omissions of persons directly employed by him.

(d) Consistent with Presidential Executive Orders 11625, 12138, and 12432, Commission requires Contractor to take positive steps to ensure that small and minority-owned businesses, women's business enterprises, and other individuals and firms located in or owned in substantial part by persons residing in the area of the Commission and/or labor surplus areas are used whenever possible, if the subcontracting of services or work covered by this Agreement is anticipated. Such efforts shall include, but shall not be limited to: (i) including such firms, when qualified, on solicitation mailing lists; (ii) encouraging their participation through direct solicitation of proposals whenever they are a potential source; (iii) dividing total subcontract requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms; (iv) establishing delivery schedules, where the requirement permits, which encourages participation by such firms; and (v) using the services and assistance of the Small Business Commerce.

(i) A small business is defined as a business that is independently owned, not dominant in its field of operation and not an affiliate or subsidiary of a business dominant in its field of operation.

(ii) A minority-owned business is defined as a business which is at least 51% owned by one or more minority groups; or in the case of a publicly owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operation are controlled by one or more such individuals. Minority group members include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.

(iii) A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.

(iv) A labor surplus area business is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the U.S. Department of Labor in 20 CFR Part 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

211. Assignability

(a) The Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior written approval of the Commission.

(b) Claims for money due or to become due to the Contractor from the Commission under this Agreement may be assigned to a bank, trust company, or other financial institutions, or to a Trustee in Bankruptcy, without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Commission.

212. Changes

The Commission may, from time to time, request changes in the Scope of Services of the Agreement to be performed hereunder. Such changes, including any increase or decrease in the amount of the Contractor's compensation, which are mutually agreed upon, by and between the Commission and the Contractor, shall be incorporated into this Agreement.

213. Documents and Written Reports

The Contractor, when preparing any document or written report for or under the direction of the Commission, the Housing Authority or the City of San Diego, shall comply with the provisions of Government Code Section 7550; to wit,

"(a) Any document or written report prepared for or under the direction of a state or local agency, which is prepared in whole or in part by non-employees of such agency, shall contain the numbers and dollar amounts of such contracts and subcontracts relating to the preparation of such document or written report; provided, however, if the total cost for work performed by non-employees of the agency exceeds five thousand dollars (\$5,000). The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report.

(b) When multiple documents or written reports are the subject or product of the contract, the disclosure section may also contain a statement indicating that the total contract amount represents compensation for multiple documents or written reports."

214. Termination

This Agreement may be terminated by the Commission on thirty (30) days' written notice to the Contractor, the effective date of cancellation being the 30th day of said written notice with no further action required by either party.

215. Attorney's Fees and Costs

If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection

with any of the provisions of this Agreement, the successful or prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

216. Entire Agreement

This Agreement represents the sole and entire agreement between the Commission and Contractor and supersedes all prior negotiations, representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed herein. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both the Commission and Contractor.

217. Partial Invalidity

If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

218. Contract Governed by Laws of State of California

This Agreement and its performance and all suits and special proceedings under this Agreement shall be construed in accordance with the laws of the State of California. In any action, special proceeding, or other proceeding that may be brought arising out of, under, or because of this Agreement, the laws of the State of California shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which the action or special proceeding may be instituted.

219. Interest of Member of Congress

No member or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom, but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

220. Interest of Current or Former Members, Officers, Employees

No member, officer or employee of the Commission, no member of the governing body of the locality in which the work is situated, no member of the governing body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof. Any violation of this section shall result in unilateral and immediate termination of this Agreement by the Commission.

221. Drug-free Workplace

Contractor shall certify to the Commission that it will provide a drug-free workplace and do each of the following:

(1) Publish a statement notifying its employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance as defined in schedules I-V of Section 202 of the Controlled Substance Act (21 U.S.C. 812) is prohibited in Contractor's workplace and specify the actions that will be taken against employees for violation of the prohibition.

(2) Establish a drug-free awareness program to inform employees about all of the following:

(a) The dangers of drug abuse in the workplace.

(b) The Contractor's policy of maintaining a drug-free workplace.

(c) Any available drug counseling, rehabilitation and employee assistance programs.

(d) The penalties that may be imposed upon employees for drug abuse violations.

(3) Post the statement required by subdivision 1 in a prominent place at Contractor's main office and at any job site large enough to necessitate an on-site office.

222. Plan of Operation

The Contractor shall submit to the Contracting Officer a complete plan of operations. The Contractor is responsible for notifying the Contracting Officer of any changes to the plan of operations.

223. Labor Provisions

It is the responsibility of the Contractor to be fully aware of and comply with every requirement under Federal and State law pertaining to labor provisions.

224. Extension of Contract Term

(a) Provided, that the Contractor is not in default under the terms of this Agreement, the President & Chief Executive Officer of the Commission, may extend the terms of the Agreement for a period, not to exceed ninety (90) days, on the same payment schedule, terms and conditions, in effect on the date that the Agreement would otherwise have terminated, including the option period, if any. The option to extend the Agreement shall be at the Commission's discretion only, and may not be exercised by the Contractor.

(b) The Agreement may not be extended for an aggregate period of more than ninety (90) days, but may be exercised in multiple "Notices of Extension", of not less than seven (7) days in duration, for each such notice. The Agreement may be extended by the Commission by delivery of a Notice of Extension in writing to the Contractor and that the stated terms and conditions of the Agreement shall be adhered to by the Contractor and the Commission during the term of the extension.

(c) Nothing contained herein, however, shall require the Commission to exercise any option to extend the Agreement. During the extension of the Agreement, the Contractor shall provide the Commission with additional certificates of insurance, if necessary, covering the term(s) of the extension.

(d) Notice of Extension may be served by the Commission upon the Contractor not earlier than sixty (60) days before the original termination date of the Agreement and not later than eighty-three (83) days after the original termination date of the Agreement. Nothing contained herein shall be construed as granting the Contractor a right to compel the President & Chief Executive Officer of the Commission to exercise the option to extend the Agreement.

(e) The Commission and Housing Authority hereby delegate the authority to the President & Chief Executive Officer of the Commission to pay compensation to Contractor, during the option period, on a prorata basis, for any extension period, based upon the contract rate in effect on the date of the exercise of the extension.

(f) All contracts which are approved by the Commission and/or Authority and include options for renewal may be renewed by the President & Chief Executive Officer or his/her designee at the previously stated terms for renewal. The President & Chief Executive Officer's authority to execute the option for renewal includes authorization to execute the required documents, identify appropriate funding source and authorize payment of funds for the continuation of services identified in the Scope of Services.

225. Conflict between Agreement and Attachments

To the extent that the provisions of the Agreement and the Attachments and Schedules conflict, the following order of construction shall apply:

(a) To the extent that the Agreement and any Attachments or Schedules conflict, the terms and conditions of the Agreement shall prevail; and,

(b) To the extent that any Contract Attachment and any Schedule conflicts, the Contract Attachment shall prevail.

226. Section 3 Contract Clauses

(a) The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic

opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(c) The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(d) The Contractor agrees to include the Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

(e) The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.

(f) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD-assisted contracts.

(g) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment subcontracts shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

227. HUD Program-Specific Audit Requirement

24 CFR 45-1 require that nonprofit institutions with combined receipts of Federal financial assistance and outstanding Federal direct, guaranteed or insured loan balances totaling \$300,000 or more a year shall have an audit conducted in accordance with the requirement of OMB Circular A-133 or a program specific financial audit, depending on the amount of funds received and the number of programs. Nonprofit institutions having only outstanding HUD direct, guaranteed or insured loans that were made guaranteed or insured prior to the effective date of the part, are required to conduct audits in accordance with HUD program specific audit requirements.

228. Lobbying Provisions

Contractor hereby certifies to the Commission, under penalty of perjury, under the terms of applicable federal law, that at all applicable times before, during and after the term of the agreement, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

(c) Contractor will require that the above stated language be included in the award documents for all subawards at all tiers, including subcontracts, subgrants, loans, contracts, and cooperative agreements concerning the subject matter of this Agreement; and

(d) Further, Contractor and all subrecipients, at all times, shall certify compliance with the provisions of 31 USC 1352 and any and all terms and conditions of the Byrd Anti-Lobbying Amendment, as amended from time to time.

CONTRACT ATTACHMENT NO.2
SPECIFICATIONS/SCOPE OF SERVICES

PROPERTY MANAGEMENT OF
MARINER'S VILLAGE - 6487 POTOMAC STREET

Contractor will provide professional property management services necessary to manage the Property as affordable rental housing in a faithful, diligent and honest manner upon the terms provided in this Agreement.

1. Licenses. Contractor represents and warrants that it is a licensed real estate broker in the State of California and is in all other respects qualified to do business in the State of California.
2. Contractor's Responsibilities for Renting Units.

- a. The Property is required be operated as low income housing affordable to households at or below eighty percent (80%) of area median income at initial occupancy, which is defined as being affordable to and occupied by households earning eighty percent (80%) or less of area median income ("AMI") for the San Diego Statistical Metropolitan Area at initial occupancy, as calculated and adjusted for household size from time to time by HUD or any successor thereto (the "Tenant Restrictions"). Contractor shall rent the units at the Property in such a manner as to ensure that each unit, at initial occupancy of such unit, is affordable to and occupied by a household earning at or below eighty percent (80%) of AMI. Contractor shall utilize lease forms, applications, and other documents provided by Commission.

Commission shall be permanently relocating tenants at the Property whose income exceeds 80% AMI. Commission will be utilizing the services of a relocation consultant to help with the relocation of tenants. Contractor is expected to fill all units at the Property vacated as a result of this relocation with tenants who qualify under the terms of the Tenant Restrictions.

- b. Contractor shall: (i) accept rental applications and offers to rent or lease; (ii) cause the credit and references of tenants to be investigated; (iii) consult with Commission regarding the terms of the lease, certification of each prospective tenant as set forth in 2(e) below; (iv) negotiate with tenants regarding any modification in the terms of such leases; (v) enter into leases on behalf of Commission on forms provided by Commission; (vi) negotiate the renewal of existing tenancies and prepare appropriate documentation on forms provided by Commission; (vii) sign and serve in the name of Commission such notices as may be deemed necessary by Contractor provided Contractor has received advance written authorization from Commission for the service of such notices; (viii) institute and prosecute actions to evict tenants and recover possession of the Property, and further file suit against and recover bad debts of tenants and settle, compromise and release such actions or suite or reinstate such tenancies on such terms as Contractor deems reasonable, provided Contractor has received written authorization from

Commission prior to initiating any suit or other action; and (ix) maintain the Property at no more than a 5% vacancy rate, to the extent possible.

- c. The eligibility of each prospective tenant of the Property shall be certified by Contractor, which shall submit such certification and all supporting documentation on forms provided to Contractor by Commission for a determination of tenant eligibility, prior to tenant occupancy. No unit may be rented to a prospective tenant unless and until Commission has determined that the prospective tenant or occupant is a qualified household earning at or below 80% AMI at initial occupancy. Commission's determination of eligibility shall be based upon an application completed by the prospective tenant (including backup documentation such as employment and income verification documents) in accordance with Commission's normal procedures then in effect, and submitted by Contractor to Commission for review and determination of eligibility. Contractor shall provide prospective tenants who are denied a lease with a letter in compliance with the Fair Credit Reporting Act.
 - d. Rent increases or decreases are subject to review and approval by Commission; however, under no circumstances may the rent charged to a tenant at initial occupancy be set at more than 1/12 of 30% of 80% AMI, as adjusted for family size. The maximum gross rent shall include rent and all tenant paid utilities, fees and charges.
 - e. Contractor agrees that it is familiar with and shall utilize the Ratio Utility Billing System (RUBS) for the Property. Water, sewer and trash expenses are billed to tenants of the Property using RUBS. Electricity is individually metered and billed to tenants of the Property.
 - f. Contractor shall collect income for laundry and parking/storage units as agreed upon by Commission.
 - g. Vacant units shall be made market ready within 5 business days of being vacated. Contractor shall ensure each unit's entry hardware (locks) are properly re-keyed or replaced upon vacancy. Each vacant unit shall be prepared for re-occupancy by performing all required repairs as necessary including: (i) cleaning of all surfaces; (ii) painting as necessary; (iii) flooring cleaning or replacement; (iv) repair of all wall and ceiling surfaces; (v) moisture intrusion inspection; and (vi) repair or replacement of appliances and fixtures. Vacant units shall be inspected for lead hazards pursuant Federal, State and local codes/regulations and any lead hazard found shall be remediated by appropriately trained personnel. Any and all records relating to lead remediation shall be maintained by Contractor and Commission for at least three (3) years.
3. Operating Budget. Contractor and Commission have agreed upon an operating budget for the Property which is attached to this Agreement and incorporated herein as Table 1 of Attachment No. 3. Contractor shall control expenses in accordance with the agreed upon operating budget. Both Contractor and Commission shall promptly notify the other in writing if either anticipates an increase for any particular item included in the operating budget or any property expense that shall impact the total operating expense for the Property.

Contractor shall obtain Commission's prior written approval for any expenditures exceeding the approved operating budget by \$1,500 or more, except for emergency repairs involving manifest danger to person or property, or required to avoid imminent suspension of any necessary service to the Property. In the event of emergency repairs, Contractor shall notify Commission of the occurrence and expenditure promptly, and in no event later than 48 hours from the occurrence of the event.

4. Management Plan. Contractor shall, within 14 calendar days of commencement of Agreement, develop a Management Plan that shall assure the physical, financial, and social well being of the Property. The Management Plan shall include, but not be limited to the following:

a. Management

- i. Role and responsibility of the Commission and Contractor
- ii. Personnel policy and staffing arrangements
- iii. Accounting records
- iv. Plan for updating management plan
- v. Insurance

b. Occupancy

- i. Procedures for achieving and maintaining occupancy
- ii. Procedures for affordable housing requirements
- iii. Rent collections
- iv. Procedures for appeal, grievance and eviction
- v. Resident management relations

c. Maintenance Program and Procedures

d. Marketing Plan

- i. Contractor shall evaluate effectiveness of current marketing programs and make written recommendations to Commission for changes or revisions to the marketing plan in an effort to improve occupancy

5. Advertising and Promotion. Contractor shall, at Commission's sole discretion, advertise the Property and display signs thereon, subject to Commission's prior right to approve of the content and location of affixing signs. Contractor shall conduct all leasing activities in compliance with Equal Housing Opportunity and Fair Housing regulations.

6. Rent Collection. Contractor shall use its best efforts to collect and enforce collection when due, all rents, charges, and other amounts due to Commission in connection with the management and operation of the Property. Contractor shall proceed in accordance with the policies and procedures established by the Commission for the collection and deposit of rents, charges and other amounts due to Commission.

7. Records and Reports. In addition to any requirements or other provisions of this Agreement, Contractor shall have the following responsibilities with respect to records and reports:

a. Contractor shall establish and maintain a system of records, books, and accounts, including computerized systems, on an accrual basis in a manner satisfactory to Commission. Contractor shall use Yardi or a Yardi-like property management system. All records, books, and accounts shall be subject to examination by Commission at all reasonable times. Files shall be the property of the Commission.

b. Monthly Reports. Contractor shall prepare a monthly report containing and including at least the following for the month just completed: (i) an operating statement of income and expenses; (ii) a rent roll/cash receipts form; (iii) a trial balance; (iv) bank statements for all Operating and Security Deposit Accounts including reconciliations; (v) balance sheet. Contractor shall submit each such report to Commission on or before the twentieth (20th) day of each month.

c. Monthly Variance Reports. Contractor shall prepare a monthly variance report that explains in detail all variances from budget for month-to-date and year-to-date variances. Such report shall be submitted to Commission no later than the twentieth (20th) day of the following month of reporting.

d. Personnel Records. Contractor shall prepare, execute, and file all forms, reports, and returns required by law in connection with the employment of personnel, unemployment insurance, worker's compensation insurance, disability benefits, Social Security, and other similar insurance.

e. Tenant Files. Contractor shall establish tenant files containing copies of leases, certification forms, notices, all written records of tenant household income and size, and any other information necessary to comply with the requirements or otherwise reasonably requested by Commission through the term of this Agreement.

f. Tenant Service Requests. Contractor shall maintain a record of all incoming tenant service requests in a form approved by Commission. Contractor shall record and monitor all incoming service requests to include: (i) date of request; (ii) who requested the work to be performed; (iii) location of the problem; (iv) nature of the problem; (v) to whom work was assigned; (vi) what was done to solve the problem; (vii) time spent on repair; (viii) approximate cost of materials; (ix) completion date; and (x) determination on whether tenant is responsible for charges and bill as appropriate. Contractor shall ensure that all service requests are responded to within 24 hours. Contractor shall ensure all service requests are handled on a first-come, first-served basis, barring emergencies. Service requests of a serious nature shall be reported to Commission.

g. Auditors and Tax Preparers. Contractor shall cooperate fully with all necessary activities of the auditor and paid tax preparer. Any audit required by Commission shall be prepared at the expense of Commission by accountants of Commission's selection.

h. Contractor shall promptly furnish such additional information (including monthly

occupancy reports) as may be requested from time to time by Commission with respect to the renting and financial, physical, or operational condition of the Property.

8. Property Accounts. Contractor shall establish the following separate accounts as agent for the Commission for funds of the Property: a General Operating Account, a Replacement Reserve Account, a Security Deposit Account, and an Operating Reserve Account (which may be a sub-account within the General Operating Account). Funds in these accounts shall be maintained in depositories whose deposits are insured by an agency of the federal government or other comparable federally insured program pursuant to the requirements of the Commission. The Commission and/or its representatives may be authorized signatories on the aforementioned accounts.
 - a. General Operating Account. Contractor will establish at a banking facility approved by Commission, a segregated bank account for the purposes of maintaining funds available for Contractor's payment of supplies, equipment and services associated with maintaining and repairing the Property. Contractor shall utilize funds held in the General Operating Account to pay operating expenses in accordance with the approved operating budget. Contractor shall make all disbursements promptly when due and payable. In the event that the balance in the General Operating Account is at any time insufficient to pay disbursements due and payable under the approved budget, Contractor will promptly inform Commission of such and Commission may, in its discretion, remit to Contractor sufficient funds to cover the deficiency.
 - b. Security Deposit Account. Contractor shall collect, deposit and disburse security deposits from all tenants of the Property. In collecting, handling, and disbursing these funds, the Contractor shall comply with state law, as amended from time to time. They shall at all times be equal to the total amount held by the Contractor for the residents. If interest accrues to the Security Deposit Account, it shall be disbursed as required by Commission. No interest shall accrue to the benefit of the Contractor. Contractor shall refund tenant security deposits at the termination of tenancies under the provision of the applicable lease, any associated documents, and applicable law.
 - c. Replacement Reserve Account. A portion of the monthly operating income from the Property shall be deposited by the Contractor into the Replacement Reserve Account, as requested by and in an amount determined by Commission. Any and all payments or withdrawals from the Replacement Reserve Account shall require the express written authorization of the Commission and the signatures of both the Commission and the Contractor.
 - d. All Commission funds shall at all times be kept separate and apart from Contractor's own funds and separate and apart from other monies received by Contractor in a representative capacity on behalf of Contractor's clients other than Commission, if any. Contractor understands and agrees that all funds in said trust accounts remain the sole property of Commission until paid out by Contractor to meet operating or other approved expenses. Contractor is authorized by Commission to endorse any and all checks in regard to the Property drawn to the order of Commission for deposit in said trust

accounts.

9. Meetings. Contractor shall be available for an initial job meeting with Commission at which the parties review of all facility use rules and applicable Commission policies and procedures. Unless otherwise determined by Commission, Contractor and Commission staff shall have regular meetings in order to, among other things, review building management progress and quality of work, identify and resolve any problems, maintain a sound working relationship and mutual understanding of this Agreement and formulate and maintain operating procedures for the Property.
10. Administration and Policy. Contractor is to adhere to all applicable Commission policies, including, but are not limited to: tenant selection criteria, house rules, eviction, management/marketing plan, lease provisions/amendments, rent collection, and maintenance.
11. Personnel Procedures.
 - a. On the basis of the operating budget, job standards and wage rates previously approved by Commission, Contractor shall hire in the name of Contractor, supervise and dismiss as may be necessary from time to time, all persons required for the proper operation and maintenance of the Property, including an on-site property manager to supervise the daily operations of the Property. All personnel hired by Contractor to work at the Property shall be bonded as set forth in this Agreement. It is expressly agreed that all salaries, wages, benefits, federal, state and local income and social security taxes, medical and dental insurance, worker's compensation insurance and other payroll expenses payable on account of such persons or employees shall be operating expenses of the Property, as set forth in the operating budget.
 - b. Contractor shall comply with all local, state and federal laws and regulations applicable to any employees, including minimum wage laws. Contractor shall provide, at minimum, fair housing, asbestos, lead-based paint, and sexual harassment training to all employees upon hire and annually thereafter. Any staffing required for the Property that is not contemplated in the approved operating budget shall not be filled by Contractor until Contractor obtains written approval by Commission. All employees will undergo a criminal background check and drug testing prior to employment.
 - c. Contractor shall utilize Commission procedures in hiring community-level maintenance employees. As part of the pre-employment process, each maintenance employee will be tested on basic and advanced maintenance knowledge prior to receiving an offer of employment, as set forth in the Commission's procedures and policies.

12. Maintenance of Property. The Contractor shall be responsible for regularly assessing the condition of the Property and its systems; developing and implementing building operations; performing preventive maintenance; and, establishing capital plans necessary to maintain, preserve and keep the Property in a decent, safe and sanitary condition. All maintenance and repairs will be performed in accordance with the approved operating budget. Contractor shall maintain the Property in a decent, safe and sanitary condition in accordance with local code and in a condition acceptable to Commission. Contractor shall have no authority nor shall it have any obligation to make any structural changes in the Property or make any other major alteration or additions in or to any building or equipment therein, notwithstanding anything set forth in this Agreement, unless approved in advance in writing by Contractor and Commission.

a. Service Contracts. Contractor shall not enter into any contract or agreement for utilities, goods or services nor bind Commission in any contract or agreement (oral or written) without the prior written consent of Commission. Commission and contract vendors will comply with all terms of San Diego Housing Commission Procurement Policy; copy provided upon request.

b. Equipment and Appliances. Contractor shall purchase on behalf of Commission such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the Property. Contractor shall obtain Commission's advance approval, given in Commission's sole discretion, of any purchases not contemplated in the approved operating budget. All such purchases and contracts shall be in the name of the Commission and at the expense of Commission. All substitutes for the original manufacturer's equipment related to the upgrading of equipment will be Energy Star® compliant, if available.

c. Emergency Response. Contractor shall establish an after-hours emergency system such that tenants may report emergencies to Contractor after hours. Contractor shall have a knowledgeable person available after hours to respond to emergency issues in a reasonable amount of time.

13. Other Duties. Contractor will perform other property management tasks for Property or other properties as may be mutually agreed upon.

CONTRACT ATTACHMENT NO.3
COMPENSATION AND OPERATING EXPENSE SCHEDULE

Contractor's Compensation

Management Fee

For property management services performed under this Agreement, the Commission shall pay the Contractor Eighty Two Thousand Five Hundred Sixty and No/100 Dollars (\$82,560.00) per year, which is estimated to be Six Thousand Eight Hundred Eighty and No/100 Dollars (\$6,880.00) per month.

If Commission, in its sole discretion, exercises one or both of the one-year options to extend this Agreement, the management fee shall be increased by two and a half percent (2.5%) each year. The management fee for the first option year, if exercised, shall not exceed Eighty Four Thousand Six Hundred Twenty Four and No/100 Dollars (\$84,624.00) and in the second option year, if exercised, shall not exceed Eighty Six Thousand Seven Hundred Forty and No/100 Dollars (\$86,740.00).

Commission shall not be responsible for any costs associated with or relating to Contractor's office overhead and management personnel not located or employed at the Property. Additionally, Commission shall not be responsible for the salaries, wages and all other compensation, unemployment, social security taxes and contributions for such personnel, as well as any expenses specifically stated herein to be borne by Contractor.

The monthly fee will be payable on the 15th day of the month following the month in which services were rendered and may be withdrawn by Contractor from the General Operating Account. If management services are provided for less than 30 days, the fee amount will be prorated accordingly.

Operating Expenses

Contractor shall be reimbursed for the approved "Operating Expenses" listed on Table 1 below, which Contractor may withdraw from the General Operating Account. The payroll reimbursements and all other operating expenses set forth below are included in the not to exceed Approved Budget Amount set forth in Section 104(b) of this Agreement.

Table 1 – Operating Expenses

Operating Expense	Monthly Estimated Cost	Not to Exceed Amount for One Year Contract Term
Reimbursable Expenses		
Salary- Manager	\$3,466.67	\$41,600.00
Salary- Assistant Manager	\$2,773.33	\$33,280.00
Salary- Part-time Lease-up Agent	\$368.33	\$4,420.00
Salary- Maintenance Director	\$2,946.67	\$35,360.00
Salary- Maintenance Staffer	\$2,600.00	\$31,200.00
Salary- Porter	\$2,426.67	\$29,120.00
Payroll Burden	\$4,501.67	\$54,020.00
Computer & Software	\$222.33	\$2,668.00
Check Scanner	\$50.00	\$600.00
Marketing & Advertising	\$800.00	\$9,600.00
Gardening & Landscaping	\$3,500.00	\$42,000.00
HVAC Maintenance	\$200.00	\$2,400.00
Security Services	\$650.00	\$7,800.00
Pest Control	\$250.00	\$3,000.00
Pool Maintenance	\$262.50	\$3,150.00
Fire/Safety Maintenance	\$100.00	\$1,200.00
Trash & Recycling Service	\$2,200.00	\$26,400.00
Utilities	\$16,666.67	\$200,000.00
Reimbursable Expenses Subtotal	\$43,984.83	\$527,818.00
Property Management Fee	\$6,880.00	\$82,560.00
TOTAL OPERATING EXPENSES	\$50,864.83	\$610,378.00

CONTRACT ATTACHMENT NO. 4

THE SAN DIEGO HOUSING COMMISSION

CERTIFICATE OF COMPLIANCE

The City of San Diego, The San Diego Housing Commission and Housing Authority are committed to an Equal Opportunity Program pursuant to applicable Federal and State laws and regulations, which provides Equal Opportunity in all activities of the State and its agencies, including the employment of individuals and firms which contract with the San Diego Housing Commission.

Hyder & Company
(Name of Firm)

As an authorized official for the above named firm, I hereby certify by the signature affixed to this document that said firm will comply with Executive Order 11246, Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act and any other applicable Federal and State laws and regulations hereinafter enacted.

Further, I am submitting a current Report of San Diego County Workforce and if requested, an acceptable Equal Employment Opportunity Plan which addresses the corrective actions that will be taken by this firm to eliminate any discriminatory outreach or hiring practices, if they exist, and to introduce outreach and hiring practices to maximize employment opportunities for all qualified individuals.

Stephen J. Margulies
Name of Authorized Official

President
Title

Shayla
Signature of Authorized Official

1-22-11
Date

CONTRACT ATTACHMENT NO. 5

SAN DIEGO HOUSING COMMISSION

1122 Broadway Suite 300, San Diego CA 92101

Name of Firm Hyder & Company

Payroll Ending Date 10/9/2010

WORK FORCE REPORT OF SAN DIEGO COUNTY

INSTRUCTIONS. For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- | | |
|--|--|
| (1) African-American, Black | (5) Caucasian |
| (2) Latino, Hispanic, Mexican-American, Puerto Rican | (6) Other ethnicity, not falling into other groups |
| (3) Asian, Pacific Islander | |
| (4) American Indian, Eskimo | |

OCCUPATIONAL CATEGORY	(1) African American		(2) Latino		(3) Asian-Pacific Islander		(4) American Indian		(5) Caucasian		(6) Other Ethnicities	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Executive/Administrative/Managerial	0	0	2	0	0	0	0	0	4	4	0	0
Professional/Specalty	0	0	0	5	0	4	0	0	0	3	0	0
Engineers/Architects	0	0	0	0	0	0	0	0	0	0	0	0
Technicians and Related Support	0	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support/Clerical	0	1	3	21	0	3	0	0	3	6	0	1
Services	4	5	95	49	0	1	0	0	23	16	0	0
Production/Production, Craft and Repair	0	0	0	0	0	0	0	0	0	0	0	0
Machine Operators, Assemblers, Inspectors	0	0	0	0	0	0	0	0	0	0	0	0
Transportation and Material Moving	0	0	0	0	0	0	0	0	0	0	0	0
Handlers, Equipment Cleaners, Helpers and Non construction Laborers*	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS EACH COLUMN	4	6	100	75	0	8	0	0	30	29	0	3
DISABLED (by ethnicity & gender)	0	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL OF ALL EMPLOYEES	4	6	100	75	0	8	0	0	30	29	0	4

NON PROFIT AGENCIES ONLY

President												
Vice President												
Secretary												
Treasurer												
TOTALS EACH COLUMN												

Indicate the gender and minority composition of the team as required above.

Please substitute titles of officers or board members as necessary.

Equal Opportunity Contracting Work Force Report (rev. 5/30/05)

OCCUPATIONAL CATEGORY LIST

Executive, Administrative and Management

Executive, Administrative Management Related

Professional Specialty

Engineers, Architects, Surveyors
Mathematical and Computer Scientists
Health Diagnosing
Health Assessment and Treating
Teachers, Postsecondary
Teachers, Except Postsecondary
Counselors, Educational and Vocational
Librarians, Archivists, Curators
Social Scientists and Urban Planners
Social, Recreation and Religious Workers
Lawyers and Judges

Technicians and Related Support

Health Technologists and Technicians
Engineering and Related Technologists and Technicians
Technicians, Except Health, Engineering and Service

Sales

Supervisors and Proprietors
Sales Representatives, Finance and Business Services
Sales Representatives, Commodities Except Retail
Sales Workers, Retail and Personal Services

Administrative Support

Supervisors, Administrative Support
Computer Equipment Operators
Secretaries, Stenographers, Typists
Information Clerks
Records, Processing Except Financial
Financial Records Processing
Duplicating and Other Office Machine Operators
Communications Equipment Operators
Mail and Message Distributing
Material Recording and Distributing Clerks
Adjusters and Investigators
Other Administrative Support

Precision Production, Craft and Repair

Supervisors, Mechanics and Repairers

Vehicle and Mobile Equipment Mechanics and Industrial Machinery Repairer
Machinery Maintenance
Electrical and Electronic Equipment Repairers
Heating, Air Conditioning, Refrigeration Mechanics
Other Mechanics and Repairers
Supervisors Construction
Construction Trades, Except Supervisors
Extractive Occupations
Precision Production Occupations

Machine Operators, Assemblers and Inspectors

Metalworking and Plastic Working Machine Operator
Metal and Plastic Processing Machine Operators
Woodworking Machine Operators
Printing Machine Operators
Textile, Apparel and Furnishing Machine Operators
Machine Operators, Assorted Material
Fabricators, Assembler & Hand Working Occupations

Transportation and Material Moving

Motor Vehicle Operators
Rail Transportation Occupations
Water Transportation Occupations
Material Moving Equipment Operators

Handler, Equipment Cleaners, Helpers and Laborers

Handlers
Equipment Cleaners
Helpers
Laborers

Services

Private Households
Protective Services
Supervisors, Protective Services
Firefighting and Fire Prevention
Police and Detectives
Guards
Supervisors, Food Preparation and Services
Health Services
Cleaning and Building Services
Personal Service

NAME OF COMPANY: Hyder & Company TELEPHONE: 760-591-9737
ADDRESS: 1649 Capalina Road, Suite 500
CITY: San Marcos STATE: CA ZIP: 92069
PREPARED BY: Mechan Margetic DATE: 10/18/2010

Summary of Agency Expenditures

	Current Budget	Proposed Revision	Proposed Budget
Salaries & Benefits	21,127,343		21,127,343
Services & Supplies			
Legal	840,572		840,572
Training	228,125		228,125
Travel	193,876		193,876
Audit	201,110		201,110
Contract/Consultant	4,646,181		4,646,181
Office & Building Rent	2,816,715		2,816,715
Sundry	2,366,294	4,813	2,371,107
Insurance	556,081		556,081
Management Fees	1,395,609	90,871	1,486,480
Office Equipment	1,091,160	778	1,091,938
Total Services & Supplies	14,335,723	96,462	14,432,185
Housing Programs			
Resident Services Recreation	113,527		113,527
Resident Services Contracts	667,388		667,388
Maintenance Materials	483,477		483,477
Maintenance Contract Costs	2,847,396	22,794	2,870,190
Utilities	2,650,367	56,496	2,706,863
Collection Loss	158,325		158,325
Property and LLC Fees & Taxes	99,801		99,801
Mortgage Payments	8,101,094		8,101,094
Protective Services	624,026	2,275	626,301
Rent to Owners	171,553,824		171,553,824
Loans & Grants	27,785,249		27,785,249
Relocation	644,130		644,130
Site Acquisition & Housing Dev	20,978,567		20,978,567
Extraordinary Maintenance	1,622,963		1,622,963
Dwelling Equipment	227,940		227,940
Total Housing Programs	238,558,074	81,565	238,639,639
Reserves	37,757,872	928,935	38,686,807
Total Budget	311,779,012	1,106,962	312,885,974