A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

TO BE HELD AT 715 EAST BRIER DRIVE
SAN BERNARDINO, CALIFORNIA
March 16, 2026, AT 3:00 P.M.

AGENDA

PUBLIC SESSION

1) Call to order and roll call.

2) Additions or deletions to the agenda.

3) General Public Comment - Any member of the public may address the Board of Commissioners on any matter not on the agenda that is within the subject matter jurisdiction of the Board. To make a comment on a specific agenda item, you may do so during the meeting or, alternatively, please submit your comments via email by 1:00 p.m. on the Tuesday of the Board meeting. Comments should be limited to 250 words or less. Please submit your comments via web at https://hacsb.com/board-of-commissioners/ or email at publiccomment@hacsb.com. Your comments will be placed into the record at the meeting. Efforts will be made to read the comments into the record, but some comments may not be read due to time limitations.

DISCUSSION CALENDAR

(Public comment is available for each item on the discussion calendar)

4) Receive the Executive Director's Report for March 16, 2026.
(Page 1)

5) Receive the board building presentation for March 16, 2026, a recap of the Housing Authority of the County of San Bernardino's legislative Capitol Hill visits.
(Page 2)

6) Discuss use of funds from asset disposition and recapitalization; and adopt Resolution No. 229 designating the use of proceeds from the disposition of the Sunrise Vista Apartment property and net proceeds from permanent financing of Valencia Grove II.
(Pages 3-6)

7) Retroactively authorize the Executive Director to execute the lease agreement with Golden Sands SB, LLC for Golden Sands Apartments located at 15930 Nisqualli Road, Victorville CA.
(Pages 7-66)

8) Approve Contract No. PC1444, effective March 17, 2026, with Final Touch Construction & Design, Inc. for roof replacement services for the Upland offices and residential unit in the amount of $268,427.00.
(Pages 67-186)

9) Approve Amendment No. 3 to the contract PC1336, effective April 1, 2026, for Inspection Services and Project-Based Voucher Independent Entity Services with

Reliant Asset Management Solutions, increasing the compensation by $44,046 for a total amount not to exceed $1,286,160 through November 30, 2026.
(Pages 187-192)

10) Retroactively approve four non-financial Memorandums of Understanding with Step Up for the Continuum of Care grants, for the provision of in-kind case management services to participants in the following four separate programs:
a. Cornerstone program
b. Lantern Woods program
c. Laurelbrook Estates program
d. Project Gateway program
(Pages 193-274)

11) Retroactively approve two non-financial Memorandums of Understanding with Valley Star for the Continuum of Care grants, for the provision of in-kind case management services to participants in the following two separate programs:
a. Cornerstone program
b. Laurelbrook Estates program
(Pages 275-316)

CONSENT CALENDAR

APPROVAL OF CONSENT ITEMS: 12-16

12) Approve the meeting minutes for the regular meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on February 10, 2026.
(Pages 317-321)

13) Approve the meeting minutes for the special meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on February 10, 2026.
(Pages 322-324)

14) Approve and file agency-wide financial statements through November 2025.
(Pages 325-327)

15) Approve the expense of uncollectable vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of December 2025.
(Pages 328-334)

16) Approve the write-off of delinquent accounts for the Housing Services Programs as collection losses for the month of January 2026.
(Pages 335-337)

17) Individual Board member comments.

18) Adjourn.

This agenda contains a brief description of each item of business to be considered at the meeting. In accordance with the Ralph M. Brown Act, this meeting agenda is posted at least 72 hours prior to the regularly scheduled meeting at the Housing Authority of the County of San Bernardino (HACSB) Building located at 715 East Brier Drive, San Bernardino, California, 92408. The agenda and its supporting documents can be viewed online at http://www.hacsb.com. However, the online agenda may not include all available supporting documents or the most current version of documents.

If you challenge any decision regarding any of the above agenda items in court, you may be limited to raising only those issues you or someone else raised during the public testimony

period regarding that agenda item or in written correspondence delivered to the Board of Commissioners at, or prior to, the public meeting.

It is the intention of the HACSB to comply with the Americans with Disabilities Act (ADA). If you require special assistance, HACSB will attempt to accommodate you in every reasonable manner. Please contact Cynthia Robinson at (909) 890-5388 at least 48 hours prior to the meeting to inform us of your particular needs.

HACSB ofrece asistencia idiomática gratis. Para ayuda con este documento, por favor llámenos al (909) 890-0644.

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM
MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT
Executive Director's Report for March 16, 2026

RECOMMENDATION(S)
Receive the Executive Director's Report for March 16, 2026.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT
Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.
Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT
This item will not result in a financial impact to the Housing Authority of the County of San Bernardino (HACSB) as there is no financial impact associated with this item.

BACKGROUND INFORMATION
The Executive Director's report summarizes ongoing initiatives of HACSB's strategic plan, Moving to Work activities, overall agency updates, as well as other initiatives federally regulated by the U.S. Department of Housing and Urban Development.

PROCUREMENT
Not applicable

ITEM ATTACHMENTS
Not applicable

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM
MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT
Board Building Presentation for March 16, 2026

RECOMMENDATION(S)
Receive the board building presentation for March 16, 2026, a recap of the Housing Authority of the County of San Bernardino's legislative Capitol Hill visits.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT
Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.
Aspirational Statement #5: To create, build and utilize partnerships that provide opportunities and create a meaningful difference in the lives of the families that we serve, maximizing our resources by mobilizing the talents of our community partners.

FINANCIAL IMPACT
Approval of this item will not result in a financial impact to the Housing Authority of the County of San Bernardino (HACSB) as there is no financial impact associated with this item.

BACKGROUND INFORMATION
Per the U.S. Department of Housing and Urban Development's (HUD) Commissioner Lead the Way Training and Moving to Work designation responsibilities, board building is required to provide the Board of Commissioners with information regarding ongoing initiatives of HACSB's strategic plan, Moving to Work (MTW) activities, overall agency updates, as well as other initiatives federally regulated by HUD.

This month's board building presentation will include a recap of HACSB's legislative Capitol Hill visits.

PROCUREMENT
Not applicable

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Use of Proceeds Strategy for Real Estate Activities

RECOMMENDATION(S)

1. Discuss use of funds from asset disposition and recapitalization; and
2. Adopt Resolution No. 229 designating the use of proceeds from the disposition of the Sunrise Vista Apartment property and net proceeds from permanent financing of Valencia Grove II.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.
Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

The financial impact will be predicated on the strategy that will be implemented.

BACKGROUND INFORMATION

The Housing Authority of the County of San Bernardino (HACSB) is engaged in certain real estate activities which will result in net proceeds from these respective transactions. One such activity is the sale of Sunrise Vista Apartments in Barstow. This 156-unit property is currently completing the required Surplus Land Act (SLA) process to effectuate the sale. The SLA process expired on January 25, 2026, and we are awaiting confirmation from the Department of Housing and Community Development (HCD) of compliance with the SLA. Pending confirmation, the property is now advertised on the open market. This sale is one of the real estate activities driving this discussion on the strategy to use the net proceeds. Proceeds from the sale of Sunrise Vista less applicable costs are estimated at $11.8M.

The second real estate activity to consider is the conversion from construction to permanent financing for the new development- Valencia Grove Phase 2. The conversion to permanent financing utilizing HACSB's A+ Standard & Poor's (S&P) rating will result in net proceeds to HACSB. One of the reasons for net proceeds from permanent financing is because interest rates under an investment grade General Obligation bond issuance are more favorable than the original rates estimated for permanent financing. Proceeds to HACSB from the conversion to permanent financing are estimated at $7M.

In previous discussion with the Board, HACSB staff has stated that the proceeds from these real estate activities would be best reserved for acquiring or developing new housing to allow for workforce or low-income housing in normally hard to access areas of the county based on rent costs. As such, staff is formally making the same recommendation to the Board of Commissioners

for consideration via this memorandum and the attached Resolution designating the funds for such purpose.

PROCUREMENT
Not applicable

ITEM ATTACHMENTS
- Housing Authority Resolution No. 2026-229

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

HOUSING AUTHORITY RESOLUTION NO. 2026-229

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO DESIGNATING THE USE OF PROCEEDS FROM THE DISPOSITION OF THE SUNRISE VISTA APARTMENT PROPERTY AND NET PROCEEDS FROM PERMANENT FINANCING OF VALENCIA GROVE II

On Monday, March 16, 2026, on motion of Commissioner , duly seconded by Commissioner and carried, the following Resolution No. 2026-229 is adopted by the Board of Commissioners of the Housing Authority of the County of San Bernardino.

WHEREAS, the Housing Authority of the County of San Bernardino (Authority) is a duly formed housing authority of the State of California, and is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 34310-34334) of the California Health and Safety Code, which includes providing low and moderate income housing within its jurisdiction;

WHEREAS, the Authority is undertaking the sale of Authority-owned property known as the Sunrise Vista Apartments in Barstow ("Sunrise Vista Sale"), the proceeds from which sale less applicable costs are estimated at $11.8 million; and

WHEREAS, the Authority is further engaged in the conversion from construction to permanent financing for the new development known as Valencia Grove Phase II ("VG II Financing") utilizing the Authority's A+ Standard & Poor's (S&P) rating, which will result in net proceeds to the Authority due to interest rates under an investment grade General Obligation bond issuance coupled with a Restore/Rebuild transaction being more favorable than the original rates estimated for permanent financing, in an estimated amount of $7 million; and

WHEREAS, Authority staff has previously suggested to the Authority Board of Commissioners that proceeds from these real estate activities would be best reserved for acquiring or developing new housing to allow for workforce or affordable housing in normally hard to access areas of the county based on rent costs; and

WHEREAS, by this Resolution, the Board of Commissioners wishes to formalize the designation of the use of proceeds from the Sunrise Vista Sale and VG II Financing for the aforementioned purposes.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the County of San Bernardino, as follows:

Section 1. The above recitals are true and correct, and the Board of Commissioners of the Housing Authority so finds and determines.

Section 2. The Board of Commissioners of the Housing Authority hereby approves the designation of the net proceeds from the aforementioned Sunrise Vista Sale and VG II Financing for acquiring or developing new housing to allow for workforce or affordable housing in normally hard to access areas of the county based on rent costs.

Section 3. The Executive Director of the Housing Authority is hereby authorized to execute any and all contracts or related documents as approved by the General Counsel, required to implement this Resolution; provided that any specific approval for acquisition or development of new housing to

allow for workforce or low-income housing in the relevant hard to access areas of the county will be presented to the Board of Commissioners for formal approval in the future.

Section 4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of San Bernardino, by the following vote:

AYES: COMMISSIONER:

NOES: COMMISSIONER:

ABSENT: COMMISSIONER:

* * * * *

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, Maria Razo, Secretary of the Board of Commissioners of the Housing Authority of the County of San Bernardino, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Commissioners, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of Monday, March 16, 2026.

Secretary

By _____

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Long-Term Lease Agreement for Golden Sands Apartments

RECOMMENDATION(S)

1. Retroactively authorize the Executive Director to execute the lease agreement with Golden Sands SB, LLC for Golden Sands Apartments located at 15930 Nisqualli Road, Victorville CA, effective February 1, 2026.
2. Authorize and direct the Executive Director to execute and deliver the lease agreement with Golden Sands SB, LLC, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.
Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

The cost of the lease agreement is projected to be funded through income generated through the property's operations.

BACKGROUND INFORMATION

The Housing Authority of the County of San Bernardino (HACSB) is asking for retroactive approval to enter into a partnership via this lease agreement effective February 1, 2026, for Golden Sands Apartments with the Aspen Group. The potential acquisition/partnership opportunity was reviewed with the Board of Commissioners a few months ago and is only able to be accomplished as a result of HACSB's Standard and Poor's A+ rating.

HACSB will take minor ownership (2.5%) through membership in Golden Sands SB, LLC, which will be the ownership entity. The Aspen Group will be the majority owner of the property. HACSB will operate the property via its third-party property management company, Reliant Asset Management Solutions. Furthermore, HACSB will gain an additional ownership interest incrementally for each year of the lease agreement at 2.5% per annum. HACSB will not have to contribute any capital for this transaction.

This agreement allows HACSB to add a multi-family property (currently market) consisting of 120 units to its portfolio and convert it to a more affordable workforce format, with no funds contributed toward the purchase. HACSB will receive operating and replacement reserve funds at the inception of the lease term. The reserve amounts are still being contemplated with due diligence ongoing at the writing of this memorandum.

PROCUREMENT
Not applicable

ITEM ATTACHMENTS
- Contract – Lease Between Golden Sands SB LLC as Lessor and HACSB as Lessee

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

LEASE

Between

GOLDEN SANDS SB LLC
as Lessor

and

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
as Lessee

Dated: February 1, 2026

Concerning the premises located at:

15930 Nisqualli Road, Victorville, California 92395

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EXHIBITS

A. LEGAL DESCRIPTION

B. PERMITTED ENCUMBRANCES

C. FIXED RENT

D. RESERVES SCHEDULE

THIS LEASE, made and entered into on February 1, 2026 (together with all amendments and supplements hereto, this "**Lease**"), is entered into by and between **GOLDEN SANDS SB LLC** ("**Lessor**"), a Wyoming limited liability company with its address at P.O. Box 2375, Aspen, CO 81612 and the **HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO**, a local government public agency corporate and politic ("**Lessee**") with its office at 715 East Brier Drive, San Bernardino, CA 92408.

This is a lease of the premises owned by Lessor and located at 15930 Nisqualli Road, Victorville, California 92395.

In consideration of all of the mutual promises and covenants set forth herein, Lessor and Lessee agree as follows:

Lessor hereby leases the Premises (as defined below) to Lessee on and subject to the terms and conditions herein set forth and in this Lease.

1. DEFINITIONS, CONSENTS AND CALCULATIONS

1.1 Defined Terms. The following terms shall have the following meanings for all purposes of this Lease and shall be equally applicable to both the singular and plural forms of the terms herein defined.

(a) "**Additional Rent**" shall mean all amounts, liabilities and obligations, other than Fixed Rent, which Lessee assumes or agrees to pay under this Lease to Lessor or others.

(b) "**Affiliate**" shall mean a Person controlled by; controlling; or under common control with, the Person in question.

(c) "**Applicable Laws**" shall have the meaning given to such term in Section 11(a).

(d) "**Appraiser**" shall mean an individual having not less than ten (10) years current experience as a leasing broker specializing in commercial properties of a nature and type similar to that of the Premises in the geographic area where the Premises is located.

(e) "**Assignment of Lease**" shall have the meaning given to such term in Section 15.2.

(f) "**Buildings**" shall mean those certain buildings located at 15930 Nisqualli Road, Victorville, California 92395.

(g) "**Business Day**" shall mean any day except Saturdays, Sundays and the days observed by state-chartered banks and national banks in the State of California as public holidays.

(h) "**Capital Replacement Annual Deposits**" shall mean deposits to be made by Lessee from operation of the Premises and held by Lessee in the Future Capital Replacement Reserve Account. Mandatory and non-accruing annual deposits shall be in the amount of $650.00 per unit per year commencing on the Commencement Date, as shown on Exhibit D. Such Capital Replacement Annual Deposits shall be made to the Future Capital Replacement Reserve Account and continue throughout the term of this Lease. The per unit per year amount of $650.00 shall increase by

3.75% annually starting in the first year after the completion of the initial year following the Commencement Date. Notwithstanding the foregoing, if there is an initial shortfall in the Future Capital Replacement Reserve Account, Lessor shall provide an initial Capital Replacement Annual Deposit in the amount of such shortfall, calculated on a present value basis, to Lessee by the Commencement Date.

(i) "**Commencement Date**" shall mean the date of Lessee's actual possession of the Premises, which is the date on which the terms of this Lease shall commence.

(j) "**Effective Date**" shall mean the later of: (i) the date of execution of this Lease, as set forth on the first page hereof; and (ii) the date of approval of this Lease by Lessee's Board of Commissioners.

(k) "**Environmental Laws**" shall mean the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §§6901 et seq. (RCRA), as amended, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§9601 et seq. (CERCLA), as amended, the Toxic Substance Control Act, as amended, 15 U.S.C. §§2601 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. §§136 et seq., the Clean Air Act, the Hazardous Materials Transportation Act, and all applicable federal, state and local environmental laws, ordinances, rules and regulations, as any of the foregoing may have been or may be from time to time amended, supplemented or supplanted, and any other federal, state or local laws, ordinances, rules and regulations, now or hereafter existing relating to regulations or control of Hazardous Materials.

(l) "**Event of Default**" shall mean any of the events set forth in Section 13.

(m) "**First Mortgage**" shall mean a first priority Mortgage on the Premises given by Lessor to the Mortgagee to secure a loan encumbered by Lessor's interest in the Premises.

(n) "**Fixed Rent**" shall mean the rental amounts specified on Exhibit C.

(o) "**Future Capital Replacement Reserve Account**" shall mean the account held by Lessee in the initial amount of $600,000, which initial amount shall be paid by Lessor to Lessee under this Lease upon the Lease Commencement Date, as shown on Exhibit D. This amount represents the net present value of the difference between: (i) the Capital Replacement Annual Deposits; and (ii) the total amount of capital needs identified in the Property Condition Report by Intertek dated February 2, 2026 (and provided to Lessor and Lessee under separate cover) over the 28 years of the study. Said amount shall be held in the segregated account by that name held by Lessee and used by Lessee in its sole discretion for the benefit of the capital improvements on the Premises, into which Capital Replacement Annual Deposits shall be deposited.

(p) "**Hazardous Materials**" shall mean substances defined as "hazardous substances", "hazardous materials", "hazardous wastes" or "toxic substances" in any applicable federal, state or local statute, rule, regulation or determination, including but not limited to Environmental Laws; and asbestos, pcb's, radioactive substances, methane, volatile hydrocarbons, petroleum or petroleum-derived substances or wastes, radon, industrial solvents or any other material as may be specified in Applicable Laws.

(q) "**Imposition**" shall mean the various tax and other charges referred to in Section 5 herein and the present and future governmental laws and regulations more specifically described in Section 11 herein.

(r) "**Improvements**" shall mean the Buildings and all of the structures, improvements and all building fixtures therein (including, without limitation, parking areas (as defined in Section 16(b) and Section 16(c)) and driveways) now or hereafter located on the Land.

(s) "**Land**" shall mean the land described on Exhibit A hereto.

(t) "**Lease Expiration Date**" shall mean the end of the four hundred eightieth (480th) month following the Commencement Date.

(u) "**Lease Payment/Operating Expense Reserve**" shall mean, collectively, the two reserves paid by Lessor to Lessee on the Commencement Date each equal to $240,554, for a total of $481,108, for use by Lessee in its sole discretion, including to cover rent payment shortfalls by sublessees of individual units within the Buildings or for any other purposes determined by Lessee in its sole discretion, as shown on Exhibit D.

(v) "**Lease Year**" shall mean a 12 month period, with the first Lease Year commencing on the Commencement Date and subsequent Lease Years on the annual anniversary thereof, as may be applicable; provided, however, that, if the Commencement Date is a day other than the first day of a calendar month, then the first Lease Year shall include that period of time from the Commencement Date up to the first day of the next calendar month plus the following 12 month period, and any subsequent Lease Year shall be the 12 month period beginning on the first day of such month.

(w) "**Lessee**" shall mean The Housing Authority of the County of San Bernardino, as set forth above.

(x) "**Lessee's Equity**" shall have the meaning that is set forth in Section 3.1.

(y) "**Lessee's Representatives**" shall mean Lessee's managers, directors, officers, employees or invitees or licensees.

(z) "**Lessee's Rights**" shall have the meaning that is set forth in Section 15.1(a).

(aa) "**Lessee's Trade Fixtures**" shall mean all personal property of Lessee in or on the Premises which are not necessary for the operation of the Improvements, including without limitation kitchen and cafeteria equipment. Lessee shall have the right, at any time, to substitute customary office fixtures for any unusual fixtures (including chandeliers) previously installed by Lessee.

(bb) "**Lessor**" shall mean Golden Sands SB LLC, a Wyoming limited liability company, as set forth above.

(cc) "**Lessor's Representatives**" shall mean Lessor's partners, members, shareholders, agents, contractors, managers, directors, officers, employees or invitees or licensees.

(dd) "**Loan Documents**" shall have the meaning given to such term in Section 15.3.

(ee) "**Mortgage**" shall mean any mortgage on the Premises given by Lessor to a Mortgagee to secure a loan encumbered by Lessor's interest in the Premises.

(ff) "**Mortgagee**" shall mean any holder of a Mortgage with respect to the Premises or any part thereof.

(gg) "**One Unit Reserve**" shall mean the amount of $140,000 paid by Lessor to Lessee on the Commencement Date, for use by Lessee in its sole discretion, including to cover rent payment shortfalls if one unit in the Buildings is offline or for any other purposes determined by Lessee in its sole discretion, as shown on Exhibit D.

(hh) "**Option to Call**" shall mean Lessee's option to call on Lessor to refinance the Premises or to pay off the balance of all Mortgages on the Premises and for Lessee to take ownership of the Premises as set forth in Section 3.2.

(ii) "**Other Taxes**" shall mean all taxes, assessments, excises, levies, fees and charges, including all payments related to the cost of providing facilities or services, whether or not now customary or within the contemplation of Lessor and Lessee, that are levied, assessed, charged, confirmed or imposed by any public or government authority upon, or measured by, or reasonably attributable to: (i) the Premises; (ii) the cost or value of Lessee's Trade Fixtures or the cost or value of any leasehold improvements made in or to the Premises by or for Lessee, regardless of whether title to such improvements is vested in Lessor or Lessee; (iii) any Rent payable under this Lease, including any gross income tax or excise tax levied by any public or government authority with respect to the receipt of any such Rent; (iv) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Lessee of the Premises; or (v) this transaction or any document to which Lessee is a party creating or transferring an interest or an estate in the Premises. Other Taxes shall not include federal, state or local income, documentary transfer or inheritance taxes of Lessor, unless levied or assessed against Lessor in whole or in part in lieu of, as a substitute for any Other Taxes.

(jj) "**Overdue Rate**" shall mean the rate of interest charged by the Mortgagee from time to time after default under the First Mortgage (being 11.752% per annum with respect to the initial First Mortgage) and/or the debt instruments secured thereby, or if there is no Mortgage, the rate which would have been charged on the last Mortgage encumbering the Premises.

(kk) "**Permitted Encumbrances**" shall mean:

(i) Any liens for taxes, assessments and other governmental charges which are not due and payable;

(ii) The easements, rights-of-way, encroachments, encumbrances, restrictive covenants or other matters affecting the title to the Premises or any part thereof set forth in Schedule B to the policy of owners title insurance (or commitments therefor) delivered to and accepted by Lessor with respect to the Premises in connection with the delivery of this Lease, as shown on Exhibit B hereto, and any Mortgage, subordination and non-disturbance agreement, assignment of Lease or other security agreement encumbering the Premises which Lessor certifies in writing will not affect

the intended use of the Premises, interfere with the Lessee's beneficial use and occupancy of the Premises, result in any abatement of Rental Payments or affect the priority of any Mortgage then in place or the rights of the Mortgagee thereunder;

(iii) This Lease and the rights of Lessor thereunder; and

(iv) This Lease and the rights of Lessee hereunder.

(ll) "**Person**" shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, trustee(s) of a trust, unincorporated organization, or government or governmental authority, agency or political subdivision thereof.

(mm) "**Premises**" shall mean the Land and the Improvements, together with any easements, rights and appurtenances in connection therewith or belonging to the Land and Improvements. No easement for light, air or view is included with or appurtenant to the Premises. The foregoing disclaimer has been negotiated by Lessor and Lessee and is intended as a complete negation of any representation or warranty by Lessor, express or implied.

(nn) "**Proceeds Trustee**" shall mean the Mortgagee, a commercial bank or a trust company so long as the Mortgagee, such commercial bank or such trust company is licensed to do business in the State of California and has a net worth of not less than $200,000,000.

(oo) "**Property Taxes**" shall mean all taxes, assessments, excises, levies, fees and charges (and any tax, assessment, excise, levy, fee or charge levied wholly or partly in lieu thereof or as a substitute therefor or as an addition thereto) of every kind and description, general or special, ordinary or extraordinary, foreseen or unforeseen, secured or unsecured, whether or not now customary or within the contemplation of Lessor and Lessee, that are levied, assessed, charged, confirmed or imposed by any public or government authority on or against, or otherwise with respect to, the Premises or any part thereof or any personal property owned or leased by Lessee and used in connection with the Premises. Property Taxes shall not include net income, documentary transfer or inheritance taxes of Lessor, unless levied or assessed against Lessor in whole or in part in lieu of or as a substitute for any Property Taxes. The Premises is anticipated to be tax exempt pursuant to State Board of Equalization ruling (provided to Lessee under separate cover).

(pp) "**Rent**" shall mean Fixed Rent and Additional Rent.

(qq) "**Site Assessment**" shall have the meaning given to that term in Section 24(d).

(rr) "**Site Reviewers**" shall have the meaning given to that term in Section 24(d).

(ss) "**STRIPS**" shall have the meaning given to that term in Section 3.1.

(tt) "**Superior Mortgage**" shall have the meaning given to that term in Section 15.1(a).

(uu) "**Subordination Agreement**" shall have the meaning given to that term in Section 15.1(a).

(vv) "**Term**" shall mean the period beginning on the Effective Date and ending on the Lease Expiration Date or such earlier Termination Date or end date of the Lease, including but not limited to the end date pursuant to Section 3.2.

(ww) "**Termination Date**" has the meaning given to such term in Section 12.3(a).

(xx) "**Vacancy Reserve**" shall mean the amount of $41,996 paid by Lessor to Lessee on the Commencement Date, for use by Lessee in its sole discretion, including to cover rent payment shortfalls if units in the Buildings are vacant or for any other purposes determined by Lessee in its sole discretion, as shown on Exhibit D.

1.2 Consents. Except as otherwise provided herein, whenever in this Lease a party's approval or consent shall be required, same shall not be unreasonably withheld, conditioned or delayed. If given, such approval or consent shall be given in writing in the manner required for notices under Section 17 herein.

1.3 Rentable Square Foot Calculations. During the Term it will be assumed that the Premises contains 92,880 square feet. Any measurement of rentable square feet for such purpose shall be determined in accordance with ANSI/BOMA Z65.1-1996, or, if such standard is no longer being used, a comparable generally accepted standard of measurement mutually agreeable to Lessor and Lessee.

2. DEMISE OF PREMISES; QUIET ENJOYMENT; USE

(a) Lessor hereby demises and leases to Lessee and Lessee hereby leases and rents from Lessor the Premises, on the terms and conditions set forth in this Lease.

(b) Upon the payment of the Rent and the performance of all of the terms of this Lease, Lessee shall at all times during the Term peaceably and quietly enjoy the Premises without any disturbance from Lessor or from any person claiming by, through or under Lessor, subject to the terms of this Lease and the terms of any Mortgage encumbering the Premises. Exercise by Lessor of its rights to enter upon the Premises as set forth in this Lease shall not constitute a violation of this subsection.

(c) Lessee may use and occupy the Premises only for residential uses and shall have sole and absolute discretion to sublease the units within the Premises in accordance with its authority as a California housing authority. Lessee may further enter into arrangements with other entities, including but not limited to the San Bernardino Community College District, to set aside and sublease a portion of the units within the Premises to provide affordable housing opportunities to such entities' students, faculty or other persons. Lessee further retains sole discretion to impose rent restrictions on any sublease of the units within the Premises whereby rents are restricted to not more than the moderate-income level maximum of 120% of the area moderate income, adjusted for family size, as defined in federal statutes and Housing and Urban Development Department regulations. In all events, Lessee shall not use or occupy the same, or knowingly permit them to be used or occupied, contrary to any Applicable Laws; or in any manner which would violate any certificate of occupancy affecting the same; or which would cause structural injury or waste to the Premises or cause the value or usefulness of the Premises, or any portion thereof, to diminish; or increase the risk of violation of Environmental Laws; or which would

constitute a public or private nuisance or waste. Lessee shall promptly, upon discovery of any such use, take all necessary steps to compel the discontinuance of such use, subject to Lessee's right to contest same, as provided in Section 25 herein.

(d) In performing its obligations under this Lease, Lessee shall not act contrary to any Applicable Laws; or in any manner which would violate any certificate of occupancy affecting the same; or which would cause structural injury or waste to the Premises or cause the value or usefulness of the Premises, or any portion thereof, to diminish; or increase the risk of violation of Environmental Laws; or which would constitute a public or private nuisance or waste.

(e) Lessee shall not use, suffer or permit the Premises, or any portion thereof, to be used by Lessee, any third party or the public, as such, without restriction or in such manner as might impair Lessor's title to the Premises, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or third Persons, or of implied dedication of the Premises, or any portion thereof. Nothing contained in this Lease and no action by Lessor shall be construed to mean that Lessor has granted to Lessee any authority to do any act or make any agreement that may create any such third party or public right, title, interest, lien, charge or other encumbrance upon the estate of Lessor in the Premises.

3. TERM. The Term shall be for a period beginning on the Effective Date and ending on the Lease Expiration Date, or such earlier or later date as hereinafter provided, including upon Lessee's exercise of the Option to Call.

3.1 Lessee's Equity. It is the intent of Lessor to donate the Premises upon the payoff of Lessor's First Mortgage on or before the expiration of the Term. So long as Lessee is not in default hereunder and has made all required payments under this Lease, Lessee shall have the right to purchase the Premises for an amount necessary to transfer the Premises to the Lessee, including all amounts payable under Lessor's First Mortgage (principal and interest to date), upon which Lessor shall transfer and convey the same to Lessee. The parties agree that Lessee shall be financially responsible for all costs incurred with any such transfer, including, but not limited to, yield maintenance defeasance, Mortgagee fees, reasonable legal fees, refinance, broker fees, title, taxes, closing costs, fees described in Section 4(b), etc. During the Term of this Lease, and contingent upon Lessee's performance thereunder, Lessee shall be granted a non-participating, passive, non-voting equity interest in the Premises which shall have no voting, consent or approval rights whatsoever ("**Lessee's Equity**") at the rate of 2.5% per annum over the entirety of the Term, which interest shall include, but not be limited to, Lessee's interest (but without any obligation) in any U.S. Treasury Separate Trading of Registered Interest and Principal of Securities ("**STRIPS**") which are held as assets of the Premises or associated with the Premises' ownership structure. Such interest shall include all rights, title and interest in the STRIPS in proportion to Lessee's Equity interest in the Premises, including any accrued interest or principal payments due as of the date of any assignment of the STRIPS, subject to the terms and conditions of this Lease. Lessor shall provide, at Lessee's request, a detailed schedule of any such STRIPS, including their CUSIP numbers, maturity dates and current market value, within 10 Business Days of Lessee's written request. Any assignment of the STRIPS shall be executed in accordance with applicable laws and regulations governing the transfer of U.S. Treasury securities, including any requirements for delivery through the U.S. Treasury's book-entry system or other designated transfer mechanisms. Lessee and Lessor acknowledge and agree that the STRIPS constitute collateral for Lessor's First

Mortgage, and any right of Lessee to any such STRIPS is subject and subordinate to the First Mortgage. Lessee's Equity shall vest on the Commencement Date and thereafter at the beginning of each Lease Year for such period's granted equity at the rate of 2.5% per annum; however, in the event of any uncured Event of Default hereunder after the expiration of all applicable cure periods as set forth in Section 13.1, Lessee shall forfeit its remaining unrealized Lessee's Equity to Lessor, and Lessor's obligation to transfer the Premises under this Lease shall terminate. Lessee shall be entitled to receive proceeds from any subsequent sale of the Premises, including any assignment of the STRIPS, in proportion to Lessee's Equity at the time of the occurrence of the Event of Default. Lessee's Equity, including, if applicable at the time, the STRIPS, shall be fully vested and debt-free to Lessee at the end of the Term and Lessor shall execute and provide to Lessee a grant deed turning over all right, title and interest in and to the Premises to Lessee at such time without further obligation of Lessee to make any payment or take further action to be fully vested therein other than complete documentation to accomplish such transfer. Lessor shall take all actions to assure full transfer of all of its right, title and interest in and to the Premises debt-free to Lessee is accomplished by the end of the Term. Lessor hereby acknowledges and hereby agrees that its obligation to accomplish such transfer by the end of the Term is a material inducement to Lessee in entering into this Lease and any breach of such obligation shall entitle Lessee to seek all available remedies at law or equity to compel Lessor to transfer the Premises and the STRIPS as required herein and recover all damages, costs and attorneys' fees incurred as a result thereof. Notwithstanding anything herein to the contrary, Lessor shall be entitled to ownership of and claim to all depreciation and tax items related to the Premises regardless of Lessee's Equity. Any acquisition of Lessee's Equity or the Premises shall be without representation or warranty of any kind and without recourse to Lessor.

3.2 Option to Call. Lessee shall have the Option to Call on Lessor to donate/transfer all of Lessor's right, title and interest in and to the Premises debt-free to Lessee concurrently with Lessee's payment of: (1) any then-outstanding amounts due under this Lease so that the Rent is current as of the effective date of Lessee's exercise of the Option to Call; and (2) the First Mortgage, as noted in Sections 3.1 and 4(b), and any and all other amounts necessary to complete such transfer. The parties agree that Lessee shall be financially responsible for all costs incurred with any such transfer, including, but not limited to, yield maintenance defeasance, Mortgagee fees, reasonable legal fees, refinance, broker fees, title, taxes, closing costs, fees described in Section 4(b), etc. Notwithstanding anything to the contrary set forth in this Lease, in the event that Lessee exercises the Option to Call, all interests in the STRIPS shall be transferred to Lessee at the time of exercise (but shall not be a credit against the amount owed in respect of the First Mortgage).

3.3 Retention of Sale Proceeds. Notwithstanding anything to the contrary set forth herein: (a) in the event of Lessor's sale of the Premises, Lessee shall retain all sale proceeds and STRIPS in excess of: (1) the amount of Fixed Rent due hereunder and any Additional Rent due at the time of the closing of the sale (including as Additional Rent all costs of transferring title to the Premises, such as, without limitation, all transfer and conveyance taxes and recording fees); and (2) all other amounts due to Mortgagees; and (b) in the event of the refinancing of a Mortgage, Lessee shall retain any cash flow savings distributed as a result of such refinancing; provided that any such refinancing shall require the prior written consent of Lessee, which consent shall not be unreasonably withheld or delayed; and provided further that all Rent is timely paid to Lessor and that all amounts due to Mortgagees in connection with such refinancing are timely paid.

4. RENTAL.

(a) Lessee shall pay to Lessor the following amounts as Rent for the Premises:

(i) Beginning on the Commencement Date and thereafter on the first day of each month during the Term, Lessee shall pay to Lessor as annual rent, the Fixed Rent, in the amounts specified on Exhibit C hereto, payable in advance in equal monthly installments (pro-rated for any partial month).

(ii) Beginning on the Commencement Date and throughout the Term, Lessee shall pay all Additional Rent, whether or not such amounts of money or charges are designated Additional Rent.

(b) It is the intention of Lessor and Lessee that the Fixed Rent payable during the entire Term shall be absolutely net of all costs and expenses (i.e., gross rent) incurred in connection with the management, operation, maintenance and repair of the Premises in accordance with this Lease. Lessor shall have no obligations or liabilities whatsoever with respect to the ownership, management, operation, maintenance or repair of the Premises (and except as specified in this Lease, no right to incur expenses reimbursable by Lessee) during the Term of this Lease. Lessee shall, at its sole cost and expense, manage, operate, maintain and repair the Premises in accordance with this Lease and shall pay all costs and expenses incurred in connection therewith before such costs or expenses become delinquent. Without limiting the generality of the foregoing, beginning on the Commencement Date and throughout the entire Term, Lessee shall pay, as Additional Rent, all Other Taxes that accrue during or are allocable to the Term of this Lease; provided that the parties acknowledge that Lessor shall provide an opinion of counsel to the effect that the Premises are exempt from Property Taxes on or prior to the Commencement Date. Lessee shall pay any prepayment premium or fee, make-whole premium or other fee (however denominated) in connection with any prepayment or defeasance of debt secured by a First Mortgage, for any reason other than: (i) Lessor's voluntary refinancing or sale of the Premises, which shall be permitted only upon the prior written consent of Lessee, which consent shall not be unreasonably withheld or delayed; or (ii) a foreclosure triggered by Lessor's default under the Mortgage which does not result directly from Lessee's default under this Lease; provided, however, that Lessee shall pay same in the case of a sale to Lessee or any party designated by or acting for the benefit of Lessee. Without limiting the examples of Lessee's liability under the preceding sentence, if an Event of Default described in Sections 14(a), (c), (d) or (e) shall occur hereunder which remains uncured and Lessor shall fail to make a payment due or fail to otherwise comply with an obligation under the Mortgage (whether or not the Mortgagee shall have formally declared a default), it shall be deemed that Lessor's default under the Mortgage resulted directly from Lessee's default under this Lease, and if any other Event of Default has occurred and is continuing, Lessor's default under the Mortgage shall be deemed to have resulted from Lessee's default under this Lease if Lessee's failure is directly related to Lessee's default hereunder.

(c) Lessee shall pay all Fixed Rent to Lessor, in advance, on or before 2 p.m. prevailing Pacific Time on the first day of each and every calendar month during the Term of this Lease without notice, by wire transfer or other electronic means (or otherwise so there are collected funds available to Lessee on the due date). Interest at the Overdue Rate shall accrue and be payable by Lessee on Fixed Rent not paid by the due date thereof, from the due date thereof to the date of

actual payment. Lessee shall pay all Additional Rent when due to the Person entitled thereto. Lessee shall pay all Fixed Rent to Lessor without notice, demand, deduction or offset, in lawful money of the United States of America, to the bank account designated by Lessor, or to such other Person or at such other place as Lessor may from time to time designate by notice to Lessee pursuant to Section 17 herein. At Lessor's direction, all Fixed Rent or Additional Rent may be paid to Mortgagee, with the Proceeds Trustee remitting to Lessor all excess cash flow over the payment due to the Mortgagee.

(d) In the event that Lessee fails to pay any Fixed Rent or Additional Rent payable to Lessor on the due date thereof, in addition to paying interest to Lessor at the Overdue Rate as set forth above, Lessee shall pay Lessor the amount of any late fees, late charges, late interest, or the like, which Lessor may actually incur to the holder of the Mortgage resulting from any late payment by Lessee hereunder. In no event shall such late payment charges be deemed to grant to Lessee a grace period or extension of time within which to pay any Rent or prevent Lessor from exercising any right or enforcing any remedy available to Lessor upon Lessee's failure to pay all Rent due under this Lease in a timely fashion, including the right to terminate this Lease.

(e) If any day on which Fixed Rent is due falls on a day which is not a Business Day, Fixed Rent shall be due and payable on the next succeeding Business Day without interest or penalty if paid on such Business Day.

(f) In the event of any failure by Lessee to pay or discharge any amount of Additional Rent, Lessor shall have all rights, powers and remedies provided for herein or by law or otherwise in the case of nonpayment of Fixed Rent. Lessee shall pay Additional Rent directly to the Person entitled thereto.

5. TAXES.

(a) Lessor has confirmed through its legal counsel that the Premises shall be exempt from all Property Taxes. Should the Premises not receive a tax exemption from the San Bernardino County Assessor's Office, Lessor and Lessee agree to make good faith efforts to re-negotiate the terms of this Lease to, among other things, fully offset the impacts of any such Property Tax obligations on Lessee.

(b) Lessee shall pay, as Additional Rent, all Other Taxes prior to the assessment of any interest or penalty for late payment.

(c) Except for any tax on the net income derived from the Fixed Rent, if at any time during the Term, any method of taxation shall be such that there shall be levied, assessed or imposed on Lessor, or on the Fixed Rent or Additional Rent, or on the Premises, or any portion thereof, a capital levy, gross receipts tax, occupational license tax or other tax on the Rents received therefrom, or a franchise tax, or an assessment, gross receipts levy or charge measured by or based in whole or in part upon such gross Rents, Lessee, to the extent permitted by law, covenants to pay and discharge the same, it being the intention of the parties hereto that the Fixed Rent to be paid hereunder shall be paid to Lessor, absolutely net without deduction or charge of any nature whatsoever, foreseeable or unforeseeable, ordinary or extraordinary, or of any nature, kind, or description, except as otherwise expressly provided in this Lease.

(d) Except as set forth in subsection (c), Lessee shall pay all Other Taxes directly to the appropriate taxing authorities. Lessee shall furnish Lessor, within 15 days after payment of Other Taxes, official receipts of the appropriate taxing authority, if any, or other appropriate proof reasonably satisfactory to Lessor, evidencing the payment of the same. The certificate, advice or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Imposition may be relied upon by Lessor as sufficient evidence that such Imposition is due and unpaid at the time of making or issuance of such certificate, advice or bill.

(e) During the continuance of an Event of Default hereunder, Lessor may deliver to Lessee Lessor's reasonable estimate of the Other Taxes which it anticipates will be paid or incurred for the ensuing calendar year or fiscal year, as Lessor may determine, and Lessee shall pay to Lessor (or if Lessor so directs, to Lessor's Mortgagee) an amount equal to the estimated amount of such Other Taxes for such year in equal monthly installments during such year with the installments of Fixed Rent. Payment by Lessee of estimated amounts of Other Taxes under this subsection shall be considered as performance of such obligation under the provisions of subsections (a) and (b) above. If Lessor shall have elected to bill Lessee for Other Taxes on an estimated basis in accordance with this provision, Lessor will furnish to Lessee, within 120 days following the end of the applicable calendar or fiscal year, as the case may be, a statement setting forth: (i) the amount of such Other Taxes paid or incurred during the just ended calendar or fiscal year; and (ii) the amount that Lessee has paid to Lessee for credit against such expenses for the stated period. Lessor shall, at its election, either: (1) credit the amount of any overpayment toward the next ensuing payment or payments of Other Taxes that would otherwise be due; or (2) refund in cash to Lessee the amount of such overpayment. If such year-end statement shall show that Lessee did not pay its obligation for such Other Taxes in full, then Lessee shall pay to Lessor the amount of such underpayment within 30 days from Lessor's billing of same to Lessee. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

(f) Subject to the provisions of subsection (a), Lessor and/or Lessee shall have the right to contest the amount or validity, in whole or in part, of any Property Tax or Other Tax or to seek a reduction in the valuation of the Premises as assessed for real estate property tax purposes by appropriate proceedings diligently conducted in good faith pursuant to Section 25 herein. Lessor shall not be required to join in any proceeding referred to in this subsection unless required by law, or unless Lessee reasonably determines that such joinder will be advantageous and bears all costs in connection therewith, in which event Lessor shall, upon written request by Lessee, join in such proceedings or permit the same to be brought in its name. Notwithstanding the foregoing, Lessor shall cooperate with Lessee and execute any document required for Lessee to contest, or seek a reduction of, any Property Tax or Other Tax. Lessee covenants that Lessor shall not suffer or sustain any costs or expenses (including, but not limited to, counsel fees) or any liability in connection with any such proceeding. No such consent shall subject Lessor to any material civil liability or the risk of any criminal liability.

6. NET LEASE; NON-TERMINABILITY.

(a) This is a triple net Lease, and the Rent and all other sums payable hereunder by Lessee shall be paid, except as expressly provided in Section 12.1, without notice (except as expressly provided herein), demand, set-off, counterclaim, abatement, suspension, deduction or defense. It is the intention of the parties hereto that the Fixed Rent shall be an absolutely net return to Lessor

throughout the Term of this Lease. In order that such Fixed Rent shall be absolutely net to Lessor, Lessee shall pay when due, and save Lessor harmless from and against, any and all costs, charges and expenses attributable to the Premises and allocable to the Term, including but not limited to, each fine, fee, penalty, charge (including governmental charges), assessments, sewer rent, Impositions, insurance premiums, utility expenses, carrying charges, costs, expenses and obligations of every kind and nature whatsoever, general and special, ordinary and extraordinary, foreseen and unforeseen, the payment for which Lessor is, or shall become liable by reason of any rights or interest of Lessor in, to or under the Premises or this Lease or in any manner relating to the ownership, leasing, operation, management, maintenance, repair, rebuilding use or occupation of the Premises, or of any portion thereof; provided, however, that nothing herein contained shall be construed as imposing upon Lessee any obligation to pay: (i) any of the aforementioned costs, charges or expenses resulting from Lessor's acts or omissions, including but not limited to failure to pay the same when due; or (ii) any income, estate, inheritance, succession or transfer tax of Lessor growing out of, or levied in connection with, this Lease or Lessor's right or interest in the Premises, except as provided in Section 5 herein; and provided further that Lessor shall pay to Lessee the amounts set forth in Exhibit D on the Commencement Date.

(b) Except as set forth in Section 12.3, this Lease shall not terminate, nor shall Lessee have any right to terminate this Lease, nor shall Lessee be entitled to any abatement or reduction of Rent hereunder, nor shall the obligations of Lessee under this Lease be affected, by reason of: (i) any damage to or destruction of all or any part of the Premises from whatever cause; (ii) subject to Section 12 herein, the taking of the Premises or any portion thereof by condemnation, requisition or otherwise; (iii) the prohibition, limitation or restriction of Lessee's use of all or any part of the Premises, or any interference with such use; (iv) any eviction by paramount title or otherwise; (v) Lessee's acquisition or ownership of all or any part of the Premises otherwise than as expressly provided herein; (vi) any default on the part of Lessor under this Lease, or under any other agreement to which Lessor and Lessee may be parties; or (vii) any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. It is the intention of the parties hereto that the obligations of Lessee hereunder shall be separate and independent covenants and agreements; that the Rent and all other sums payable by Lessee hereunder shall continue to be payable in all events; and that the obligations of Lessee hereunder shall continue unaffected unless the requirement to pay or perform the same shall have been terminated pursuant to any express provision of this Lease. Lessee agrees that Lessee will not be relieved of the obligations to pay Fixed Rent or any Additional Rent in case of damage to or destruction of the Premises.

(c) Lessee shall remain obligated under this Lease in accordance with its terms, and will not take any action to terminate, rescind or avoid this Lease, notwithstanding: (i) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution or winding-up or other proceeding affecting Lessor or their respective successors in interest; or (ii) any action with respect to this Lease which may be taken by any trustee or receiver of Lessor or their respective successors in interest or by any court in any such proceeding; provided that the obligations hereunder are subject and subordinate to any order of a court related to any bankruptcy or other applicable proceedings.

(d) Lessee waives all rights which may now or hereafter be conferred by law: (i) to quit, terminate or surrender this Lease or the Premises or any part thereof; or (ii) except as set forth in

Section 12.1, to any abatement, suspension, deferment or reduction of the Rent or any other sums payable under this Lease, except as otherwise expressly provided herein.

7. SERVICES. Commencing on the Commencement Date, Lessee shall, at Lessee's sole cost and expense, supply the Premises with electricity, heating, ventilating and air conditioning, water, natural gas, lighting, replacement for all lights, restroom supplies, telephone service, window washing, security service, janitor, scavenger and disposal services (including hazardous and biological waste disposal), and such other services as Lessee determines to furnish to the Premises. Lessor shall not be in default hereunder or be liable for any damage or loss directly or indirectly resulting from, nor shall the Fixed Rent or Additional Rent be abated or a constructive or other eviction be deemed to have occurred by reason of, the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, any failure to furnish or delay in furnishing any such services, whether such failure or delay is caused by accident or any condition beyond the control of Lessor or Lessee or by the making of repairs or improvements to the Premises, or any limitation, curtailment, rationing or restriction on use of water, electricity, gas or any form of energy serving the Premises, whether such results from mandatory governmental restriction or voluntary compliance with governmental guidelines. Lessee shall pay the full cost of all of the foregoing services and all other utilities and services supplied to the Premises as Additional Rent; and Lessee shall indemnify and hold harmless Lessor and any Mortgagee from any loss, damage or liability to any party supplying such services or utilities, including without limitation reasonable attorneys' fees. The aforementioned Lessee obligations shall not apply should Lessor, through its acts or omissions, cause, any interruption in the aforementioned services.

8. REPAIRS AND MAINTENANCE.

(a) On the Commencement Date, Lessor shall pay the amount set forth in the definition of "Future Capital Replacement Reserve Account" in Section 1.1. In addition, by no later than each anniversary of the Commencement Date throughout the Term, the Capital Replacement Annual Deposits shall be made as set forth on Exhibit D, such amounts to be used by Lessee in its sole discretion for capital improvements to the Premises and held in the Future Capital Replacement Reserve Account.

(b) Commencing on the Commencement Date, Lessee shall, at its expense, keep the Premises in good order and condition at all times during the Term of this Lease. Lessee shall promptly and adequately repair the Premises and all of its component parts and replace or repair all damaged or broken fixtures (including Lessee's Trade Fixtures) and appurtenances. In addition, Lessee shall timely and properly maintain, repair and to the extent necessary in Lessor's reasonable judgment, replace all of the Premises, so as to maintain the same in good condition and repair, but in all events so as to preserve the effectiveness of any warranty relating thereto. The parties shall arrange an annual inspection by Lessor's Representatives to review compliance with Lessee's obligations hereunder. If any building system or component shall become obsolete, Lessee shall remove such item from the Premises and, promptly replace it with a new item of comparable value and function. Lessee shall obtain Lessor's prior written consent before making any substantial change in the structure of the Improvements or any building system. Notwithstanding the foregoing, it is intended by the parties that Lessor shall have no obligation to repair or maintain the Premises (or any equipment therein), whether ordinary or extraordinary. Lessee shall deliver to Lessor a

statement showing all removals and replacements of such systems or components during the preceding calendar year, and on the date of expiration or termination of this Lease, including manufacturers, model numbers, and serial numbers.

(c) Lessee shall maintain on the Premises and turn over to Lessor upon expiration or termination of this Lease current operating manuals for the equipment now or hereafter located on the Premises. Lessee will also provide Lessor with copies of any operating manuals in Lessee's possession relating to: (i) new equipment added to the Premises by Lessee after the Commencement Date; (ii) replacement equipment added to the Premises after the Commencement Date; and (iii) updates and supplements to any operating manuals relating to equipment located on the Premises. Lessee shall not install any underground storage tank on the Land.

9. DESTRUCTION OF OR DAMAGE TO PREMISES.

(a) If the Premises, or any part thereof, are damaged by fire or other casualty during the Term, Lessee shall diligently repair such damage and restore the Premises to substantially the same or better condition as existed before the occurrence of such fire or other casualty, using materials of the same or better grade than that of the materials being replaced, and this Lease shall remain in full force and effect, and there shall be no abatement of Rent due under this Lease. Such repair and replacement by Lessee shall be done in accordance with Sections 9 and 21 herein, subject to then Applicable Laws, and Lessee shall, at its expense, obtain all permits required for such work. This Lease shall not terminate by reason of such damage or destruction, it being acknowledged and agreed that the failure of the Lessee to maintain any required insurance or the inadequacy of such insurance shall not result in any abatement of the Fixed Rent or Additional Rent. Provided that no Event of Default has occurred hereunder and is continuing and no default described in Sections 14(a), (c), (d) or (e) has occurred and is continuing, and provided that Lessee has: (i) delivered to Lessor plans and specifications and a budget for such repair and restoration (all of which Lessor shall have approved in its reasonable judgment); and (ii) deposited with Lessor or the Proceeds Trustee cash in an amount equal to the excess, if any, of the total cost set forth in such approved budget over the amount of insurance proceeds received on account of such casualty, then Lessor shall make available to Lessee all insurance proceeds actually received by Lessor and not paid over to the Proceeds Trustee on account of such casualty, for application to the costs of such approved repair and restoration, as set forth below. Lessee's obligations under this Section shall survive the termination or expiration of this Lease. If this Lease shall terminate by its terms prior to completion of Lessee's renovation obligations, Fixed Rent shall continue to be payable hereunder until substantial completion of the restoration, excluding punch list items, at the same rate as the Fixed Rent for the last month of the Term, and Lessee's obligations hereunder, including payment of Additional Rent, shall continue until completion of the restoration, provided that, in such event, Lessee may elect not to restore all or any part of damaged Lessee Improvements and remit any insurance proceeds paid with respect to damages to Lessee Improvements to Lessor.

(b) In the event that the estimated cost of reconstruction is in excess of $250,000, all insurance proceeds shall be paid to or deposited with the Proceeds Trustee in the name of the Proceeds Trustee as trustee for Lessor and Lessee and disbursed in the manner hereinafter provided. If no First Mortgage is then in effect, the Proceeds Trustee shall be designated by Lessor. Insurance proceeds shall be deposited in an interest-bearing account and interest shall be distributed to Lessee upon completion of portions of said installation, repair, replacement or rebuilding, provided that

no Event of Default has occurred and is continuing hereunder. All checks drawn on said account shall be co-signed by the Proceeds Trustee and Lessee. Provided that no Event of Default has occurred and is continuing hereunder, insurance proceeds shall be disbursed to Lessee by the Proceeds Trustee under the following procedure:

(i) No more frequently than once per calendar month, Lessee may request that the Proceeds Trustee reimburse Lessee out of such insurance proceeds for costs incurred by Lessee for work in place to repair and restore the Premises during the immediately preceding calendar month, less customary retainage retained by Lessee from the contractor, as reflected in the contractor's request for payment. Lessee's request shall include a certification by Lessee, Lessee's independent, licensed architect and its general contractor that all work for which reimbursement is requested was performed in compliance with the plans and specifications approved by Lessor pursuant to Section 21 herein and all Applicable Laws, and shall include reasonably satisfactory evidence of the costs incurred by Lessee and unconditional lien releases in form and substance reasonably satisfactory to the Proceeds Trustee executed by all mechanics, materialmen, laborers, suppliers and contractors who performed any portion of the repair work or supplied materials, to the extent that such waivers are permitted under Applicable Laws.

(ii) Within 10 days after receiving Lessee's request, the Proceeds Trustee shall approve or disapprove Lessee's request, which approval shall not be unreasonably withheld, by notice to Lessee. If the Proceeds Trustee approves all or any portion of a request and the Proceeds Trustee has received (and not previously disbursed) insurance proceeds, then the Proceeds Trustee's approval shall include a check in the amount approved by the Proceeds Trustee. If the Proceeds Trustee disapproves all or any portion of a request, then the Proceeds Trustee's notice shall state the reasons for that disapproval. The Proceeds Trustee's failure to deliver a notice approving or disapproving a request within such 10-day period shall be conclusively deemed the Proceeds Trustee's approval of the request. In addition, the Proceeds Trustee shall have the right to impose other conditions upon disbursement so long as they are consistent with customary construction loan disbursement practices.

(iii) In addition, prior to commencement of restoration and at any time during restoration, if the estimated cost of restoration, as reasonably determined by the Proceeds Trustee, exceeds the amount then held in the proceeds account, the amount of such excess shall be paid by Lessee to the Proceeds Trustee promptly after Lessee's receipt of written notice and be added to the proceeds account. Any sum which remains in the proceeds account upon the completion of restoration shall be paid to Lessee.

10. INSURANCE, HOLD HARMLESS AND INDEMNIFICATION.

10.1 Release and Indemnification.

(a) Lessor shall not be liable to Lessee for any damage to or loss or theft of any property or for any bodily or personal injury, illness or death of any person in, on or about the Premises arising at any time and from any cause whatsoever: (i) except to the extent caused by the gross negligence or willful misconduct of Lessor or Lessor's Representatives; or (ii) except as set forth in Section 29. This subsection shall in no way modify the obligations of Lessee which are set forth in Section

7 herein. Except as specified above, Lessee waives all claims against Lessor arising from any liability described in this subsection.

(b) Lessee shall pay and indemnify and defend Lessor, Lessor's Representatives and any Mortgagee against and hold Lessor, Lessor's Representatives and any Mortgagee harmless from all claims, demands, liabilities, damages, losses, costs and expenses, including reasonable attorneys' fees and disbursements, arising during the Term and arising from or related to: (i) any use or occupancy of the Premises; (ii) any condition of the Premises; (iii) any default in the performance of Lessee's obligations hereunder; and (iv) any damage to any property (including property of employees and invitees of Lessee) or any bodily or personal injury, illness or death of any person (including employees and invitees of Lessee) from any cause whatsoever, occurring in, on or about the Premises or any part thereof or any part of the Improvements or the Land constituting a part of the Premises or occurring outside the Premises when such damage, bodily or personal injury, illness or death is caused by any act or omission of Lessee or Lessee's Representatives, except, in the case of (i) through (iv) above, to the extent caused by: (w) the gross negligence or willful misconduct of Lessor or Lessor's Representatives; (x) the gross negligence or willful misconduct of any Mortgagee or its agents, contractors, employees or invitees; or (y) any act or omission of Lessor, Lessor's Representatives or any Mortgagee or its agents, contractors, employees or invitees, which results in a violation of an Environmental Law. This subsection shall in no way modify the obligations of Lessee which are set forth in Section 7 herein. This Section shall survive the termination of this Lease with respect to any event arising or occurring during the Term. Except as specified in this Section, the waiver provision in subsection (a) and the indemnity provision in this subsection are intended to exculpate and indemnify Lessor, Lessor's Representatives and the Mortgagee and its agents: (i) from and against the consequences of their own negligence or fault to the extent that such party is negligent or contributorily, partially, jointly, comparatively or concurrently negligent with Lessee or any other person (except for any gross negligence of Lessor); and (ii) from and against any liability of Lessor, Lessor's Representatives or the Mortgagee and its agents based on any applicable doctrine of strict liability.

(c) Lessor shall pay and indemnify and defend Lessee and Lessee's Representatives against and hold Lessee and Lessee's Representatives harmless from all claims, demands, liabilities, damages, losses, costs and expenses, including reasonable attorneys' fees and disbursements, arising during the Term arising from or related to: (i) any use or occupancy of the Premises; (ii) any condition of the Premises; (iii) any default in the performance of Lessor's obligations hereunder; and (iv) any damage to any property (including property of employees and invitees of Lessee) or any bodily or personal injury, illness or death of any person (including employees and invitees of Lessee) occurring in, on or about the Premises or any part thereof or any part of the Improvements or the Land constituting a part of the Premises arising at any time and from any cause whatsoever, when such use, condition, damage, bodily or personal injury, illness or death referred to in any of clauses (i) through (iv) above is caused by any act or omission of Lessor or any of Lessor's Representatives. This Section shall survive the termination of this Lease with respect to any event arising or occurring during the Term.

(d) Should any event occur for which any Person is entitled to indemnification pursuant to subsection (b) above or other provisions of this Lease, such Person shall provide prompt written notice to Lessee describing the nature of such claim (provided, however, that the failure by such Person to so notify Lessee shall not limit or otherwise affect the obligations and liabilities of Lessee

hereunder provided that such failure does not prevent Lessee from so indemnifying such Person). Lessee may assume responsibility for any action to be taken to contest the claim, provided that Lessee will notify the indemnified Person in writing of its intention to contest such claim within ten (10) days after receipt of notice of the claim. Lessee, at its sole expense, may control all proceedings relating to such contest, provided that no Event of Default is continuing and that Lessee has acknowledged its obligation to provide indemnification hereunder relating to the applicable claim. The indemnified Person will cooperate with Lessee in contesting such claim, provided that Lessee indemnifies and holds harmless the indemnified Person for all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) relating to contesting such claim. Any counsel selected by Lessee hereunder shall be reasonably acceptable to the indemnified Person, and the indemnified Person, at its option, shall have the right to contest such claim through separate counsel in the event that any claims against or defenses of such Person are in conflict under the applicable standards of professional conduct with those of Lessee, and Lessee shall be obligated to pay for all reasonable costs and expenses (including without limitation reasonable attorneys' fees and expenses) actually incurred relating to any such separate contest of such claim.

(e) Should any event occur for which any Person is entitled to indemnification pursuant to subsection (c) above or other provisions of this Lease, such Person shall provide prompt written notice to Lessor describing the nature of such claim (provided, however, that the failure by such Person to so notify Lessor shall not limit or otherwise affect the obligations and liabilities of Lessor hereunder provided that such failure does not prevent Lessor from so indemnifying such Person). Lessor may assume responsibility for any action to be taken to contest the claim, provided that Lessor will notify the indemnified Person in writing of its intention to contest such claim within ten (10) days after receipt of notice of the claim. Lessor, at its sole expense, may control all proceedings relating to such contest, provided that Lessor has acknowledged its obligation to provide indemnification hereunder relating to the applicable claim. The indemnified Person will cooperate with Lessor in contesting such claim, provided that Lessor indemnifies and holds harmless the indemnified Person for all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) relating to contesting such claim. Any counsel selected by Lessor hereunder shall be reasonably acceptable to the indemnified Person, and the indemnified Person, at its option, shall have the right to contest such claim through separate counsel in the event that any claims against or defenses of such Person are in conflict under the applicable standards of professional conduct with those of Lessor, and Lessor shall be obligated to pay for all reasonable costs and expenses (including without limitation reasonable attorneys' fees and expenses) actually incurred relating to any such separate contest of such claim.

10.2 Insurance.

(a) Lessee shall, at all times beginning on the Commencement Date and during the Term, at Lessee's sole expense, obtain and keep in force the following:

(i) comprehensive commercial general liability insurance, including contractual liability (specifically covering this Lease), fire legal liability, and premises operations, all on an "occurrence" policy form, with a minimum combined single limit in the amount of $2,000,000 per occurrence for bodily or personal injury to, illness of, or death of persons and damage to property occurring in, on or about the Premises, and such insurance shall name Lessor and the Mortgagee

as additional insureds. Lessee shall maintain excess or umbrella liability insurance in an amount not less than $8,000,000 written on an occurrence basis (i.e., not a claims made basis) providing coverage limits in excess of the insurance limits required under this subsection. Such insurance shall follow from the primary insurance and the aggregate and drop down in case of exhaustion of underlying limits and/or damages where insurable under Applicable Laws. Lessee shall, at Lessee's expense, be responsible for insuring Lessee's furniture, equipment, fixtures, computers, office machines and personal property. If Lessee voluntarily carries any greater amount of liability insurance than required hereunder and applicable to the Premises, such insurance shall comply with the requirements of this Section;

(ii) worker's compensation and employer's liability insurance;

(iii) insurance against loss (including earthquake, in the event that the probable maximum loss exceeds 12%, as determined solely by Lessee in its reasonable discretion based on all factors considered, including feasibility, costs and availability, and flood) or damage to the Premises by fire and all other risks of physical loss covered by insurance of the type now known as "all risk," with difference in conditions coverage, in an amount not less than the full replacement cost of the Premises (without deduction for depreciation), including the cost of debris removal and such endorsements as Lessor may reasonably require, including without limitation, insurance in amounts and against such other risks as the Mortgagee may reasonably require and against such risks as are customarily insured against by operators of similar properties in San Bernardino County, California;

(iv) to the extent that there are boilers, pressure vessels or similar equipment on the Premises, insurance for such boilers, pressure vessels or equipment in a minimum amount of $2,000,000 per occurrence;

(v) business interruption insurance covering no less than twenty-four (24) months Fixed Rent and Additional Rent;

(vi) condemnation gap lease enhancement insurance which provides, in the event of condemnation of the Premises, for payment to the Mortgagee prior to a final condemnation judgment; such insurance shall be acceptable to the Mortgagee under the First Mortgage in its reasonable discretion; and

(vii) such other insurance, in such amounts and against such risks, as is customarily maintained by owners and operators of similar properties or is reasonably required by any Mortgagee.

(b) All insurance required to be maintained by Lessee under this Section and all renewals thereof shall be issued by good and responsible companies and/or a self-insured risk pool qualified to do and doing business in the State of California and having an S&P Global Ratings claims paying ability rating of at least "A", and shall be satisfactory to Lessor and Mortgagee. In the event that Lessee's insurance company's S&P Global Ratings claims paying ability rating falls below an "A" rating, unless Lessor and Mortgagee consent to an insurance company with a lower rating, Lessee shall diligently, and in all events not more than one hundred eighty (180) days after becoming aware of the insurance company's downgrade, acquire all insurance required to be

maintained by Lessee hereunder from a new insurance company having an S&P Global Ratings claims paying ability rating of at least "A"; provided however, that at no time shall Lessee permit any insurance policy to lapse. Deductible amounts in excess of: (i) $10,000 for "all risk" property insurance required by Section 10.2(a)(iii) and insurance required under Section 10.2(a)(iv); and (ii) $10,000 for all insurance required by Section 10.2(a)(ii) and (iii) shall be subject to Lessor's and Mortgagee's prior written approval. In the event that payment is made on any policy where a deductible amount is in effect, Lessee shall pay such deductible amount to the recipient of the insurance proceeds at the time that such insurance proceeds are paid to such recipient. Each policy to be maintained by Lessee shall expressly provide that the policy shall not be canceled or altered without thirty (30) days' prior written notice to Lessor and Mortgagee and shall remain in effect notwithstanding any such cancellation or alteration until such notice shall have been given to Lessor and Mortgagee and such period of thirty (30) days shall have expired. All property and casualty insurance shall list Lessor and Mortgagee as an additional insured and as "loss payee", and all other insurance under this Section to be maintained by Lessee shall name Lessor and the Mortgagee as additional insureds. All insurance shall be primary and noncontributing with any insurance which may be carried by Lessor (which insurance is not required to be carried by Lessor and the cost of which insurance shall not be deemed an expense that Lessee is obligated to reimburse Lessor for except as provided in Section 15.2 herein), shall afford coverage for all claims based on any act, omission, event or condition that occurred or arose (or the onset of which occurred or arose) during the policy period, and shall expressly provide that Lessor, although named as an additional insured, shall nevertheless be entitled to recover under the policy for any loss, injury or damage to Lessor. Lessee may carry such insurance under "blanket" policies, provided that such policies specifically allocate coverage amounts for the Premises equal to the amount required by this Lease. Upon the issuance of each such policy to be maintained by Lessee, Lessee shall deliver a certificate thereof (Acord 27 form) to Lessor for retention by Lessor or the Mortgagee. Lessor and/or Mortgagee shall have the right, upon reasonable notice to Lessee, to inspect, review and make copies of all insurance policies required to be maintained by Lessee at Lessee's corporate headquarters or such other location where Lessee keeps said policies.

(c) Lessor and (to the extent that Lessor carries any insurance with respect to the Premises, which Lessor is not required to do) Lessee each hereby waives its respective right of recovery against the other and each releases the other from any claim arising out of loss, damage or destruction to the Premises and contents thereon or therein, to the extent of net insurance proceeds actually received by the releasing party or the Proceeds Trustee, whether or not such loss, damage or destruction may be attributable to the fault or negligence of either party, or any of its respective partners, agents, invitees, contractors or employees, or any agents, invitees, contractors or employees of any partner or member of Lessor. Each party shall look first to the proceeds of its respective property insurance policy, if any, and, in the case of Lessee, to Lessee's own funds to the extent that Lessee is self-insured, to compensate it for any such loss, damage or destruction.

(d) Lessee shall not obtain or carry separate insurance concurrent in form or contributing in the event of loss with that required in this Section to be furnished by Lessee, unless Lessor and Mortgagee are named as loss payee on all property and casualty policies and Lessor and Mortgagee are included therein as additional insureds on all other policies, with loss payable as in this Lease provided. Lessee shall immediately notify Lessor whenever any such separate insurance is obtained and shall deliver to Lessor and Mortgagee the policy or policies or certificates evidencing the same.

(e) Lessee shall comply with all of the terms and conditions of each insurance policy maintained pursuant to the terms of this Lease and shall not use the Premises in any manner which would void or otherwise adversely affect any insurance then in force with respect thereto.

11. COMPLIANCE WITH LAWS, COVENANTS.

(a) Lessee represents and warrants that the Premises and the Improvements are currently in compliance with all applicable land use zoning ordinances. Throughout the Term, Lessee shall, with respect to Lessee's use, occupancy and maintenance of the Premises, promptly comply with any and all present and future laws, ordinances (zoning or otherwise), orders, rules, regulations and requirements of all Federal, State, municipal and other governmental bodies having jurisdiction over the Premises and the appropriate departments, commissions, boards and officers thereof, and the orders, rules and regulations of the Board of Fire Underwriters where the Premises are situated, or any other body now or hereafter constituted exercising lawful or valid authority over the Premises, or any portion thereof, or exercising authority with respect to the use or manner of use of the Premises. Lessee, at its sole cost and expense, shall comply with all agreements, contracts, easements, restrictions, reservations or covenants, if any, encumbering the Land or the Improvements, or hereafter created by Lessee or consented to, in writing, by Lessee or requested, in writing, by Lessee. Lessee shall also comply with, observe and perform all provisions and requirements of all policies of insurance maintained by Lessee with respect to the Premises under the terms of Section 10 herein and shall comply with all development permits issued by governmental authorities issued in connection with development of the Premises. The laws, ordinances, rules, regulations and requirements referred to in this Section are collectively referred to as "**Applicable Laws**". It is the intent of the parties that throughout the Term Lessor shall cooperate as needed to ensure compliance with Applicable Laws which require any physical modifications to the Buildings.

(b) If Lessee shall at any time fail to pay any Imposition in accordance with the provisions of this Lease, or to take out, pay for, maintain and deliver any of the insurance policies or certificates of insurance provided for in Section 10 herein, or shall fail to make any other payment or perform any other act on its part to be made or performed hereunder, then Lessor, after 30 days' prior notice to Lessee (or without notice in situations where Lessor determines that delay is likely to cause harm to Lessor's interest in the Premises), and without waiving or releasing Lessee from any obligation of Lessee contained in this Lease, may, but shall be under no obligation to do so, cure such non-performance for the account of Lessee in accordance with the provisions of Section 14.2 herein, and any amount of reasonable costs so incurred by Lessor shall be reimbursed by Lessee to Lessor within 30 days following Lessor's statement therefor.

(c) Upon two (2) business days' prior written notice from Lessor to Lessee describing the time and duration of access and areas to be accessed, Lessor may enter upon the Premises for any such purpose described in subsection (b) above and take all such action therein or thereon as may be necessary therefor. All sums, reasonable under the circumstances, actually so paid by Lessor and all costs and expenses, including reasonable attorneys' fees incurred by Lessor in connection with the performance of any such act, shall be paid by Lessee to Lessor within 30 days after Lessor's statement therefor and submission of reasonable evidence of such expenditures. Lessor shall not be limited in the proof of any damages which Lessor may claim against Lessee arising out of or by reason of Lessee's failure to provide and keep in force insurance as aforesaid, to the amount of

the insurance premium or premiums not paid or incurred by Lessee, and which would have been payable upon such insurance, but Lessor shall also be entitled to recover, as damages for such breach, the uninsured amount of any loss, damages, costs and expenses of suit, including reasonable attorneys' fees, suffered or incurred by reason of damage to or destruction of the Premises, or any portion thereof or other damage or loss which Lessee is required to insure against hereunder, occurring during any period when Lessee shall have failed or neglected to provide insurance as aforesaid.

(d) Lessee covenants to take such action as may be necessary to include all Rent due hereunder as a separate line item in its annual budgets and to make necessary annual appropriations for all such Rent. Notwithstanding the foregoing or any other provision of this Lease, Lessee's obligations under this Lease are not subject to any appropriation. The covenants on the part of Lessee herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of Lessee to take such action and do such things as are required by law in the performance of the official duty of such officials to enable Lessee to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by Lessee.

(e) Lessee covenants to maintain at all times during the Term of this Lease a rating in any rating category from S&P Global Ratings, Moody's Investors Service, Inc. or Fitch Ratings, Inc. In furtherance of the foregoing, Lessee specifically covenants to ensure that S&P Global Ratings, Moody's Investors Service, Inc. or Fitch Ratings, Inc. maintains ongoing rating surveillance of Lessee.

12. CONDEMNATION.

12.1 Partial Taking. Lessee assigns to Lessor, or the Proceeds Trustee, as required hereunder, any award, proceeds or other payment to which Lessee may become entitled in connection with a taking of any portion of the Premises. If less than substantially all of the Premises shall be taken for public or quasi-public purposes, Lessee shall diligently, at its sole cost and expense, restore, repair, replace or rebuild the Improvements so taken in conformity with the requirements of Sections 9 and 21 herein as nearly as practicable to the condition, size, quality of workmanship and market value thereof immediately prior to such taking, without regard to the adequacy of any condemnation award for such purpose, but subject to then Applicable Laws. There shall be no abatement of Rent during such period of restoration and this Lease shall remain in full force and effect. In performing its obligations, Lessee shall be entitled to all condemnation proceeds available to Lessor under the same terms and conditions for disbursement set forth for casualty proceeds in Section 9 herein. Any condemnation proceeds in excess of the amounts as are used by Lessee for restoration or repair of the Premises shall be the sole and exclusive property of Lessor, and Fixed Rent shall not be reduced or abated. Lessee shall have the right to participate in condemnation proceedings with Lessor, and shall be entitled to receive any award made by the condemning authority in respect of Lessee's Trade Fixtures, Lessee Improvements which were paid for by Lessee (but not including any Lessee Improvements paid for by Lessor), business loss

or, if available, business relocation and any other claim permitted by law which does not, in any such case, diminish Lessor's recovery.

(a) Lessor shall have sole control of the condemnation proceedings, and Lessor (or the Mortgagee if so designated by Lessor) shall receive the entire condemnation award; provided, however, that Lessee may claim and receive any award made by the condemning authority in respect of Lessee's Trade Fixtures, Lessee Improvements which were paid for by Lessee (but not including any Lessee Improvements paid for by Lessor), business loss or, if available, business relocation and any other claim permitted by law which does not, in any such case, diminish Lessor's recovery.

12.2 Temporary Taking. Notwithstanding any other provision to the contrary contained in this Section, in the event of a temporary condemnation, this Lease shall remain in full force and effect and Lessee shall be entitled to the net award allocable to such temporary condemnation; except that such portion of the net award allocable to the time period after the expiration or termination of the Term of this Lease shall be paid to Lessor.

12.3 Total Taking.

(a) If all or substantially all of the Premises shall be taken for public or quasi-public purposes, or if Lessee, after any taking, reasonably determines that such event has rendered the Premises unavailable for use or unsuitable for restoration for continued use and occupancy in Lessee's business, then Lessee, in lieu of rebuilding as contemplated by Section 12.1 herein, shall, not later than 90 days after such occurrence, deliver to Lessor: (i) notice of its intention to terminate this Lease on a date occurring not more than 180 days nor less than 120 days after such notice, which date shall be the first Business Day of a month (the "**Termination Date**"); (ii) a certificate by an authorized representative of Lessee describing the event giving rise to such termination, stating that such event has rendered the Premises unavailable for use or unsuitable for restoration for continued use and occupancy in Lessee's business and the detailed reasons therefor; and if the Termination Date occurs during the Term; and (iii) an irrevocable offer to purchase the Premises (and the net amount of any insurance and condemnation proceeds payable in connection with such condemnation) on the Termination Date, at a price equal to the sum of: (x) the remaining unpaid Fixed Rent set forth in Exhibit C which would have been due and payable had the Termination Date not occurred prior to the Lease Expiration Date; and (y) all costs of transferring title to the Premises to Lessee, including without limitation all transfer and conveyance taxes, recording fees and any unwind costs resulting from a prepayment of debt secured by the Premises (including prepayment premiums or make whole amounts). In addition, Lessee shall pay all Fixed Rent and Additional Rent due as of the Termination Date. Lessor shall accept or reject such offer by notice given to Lessee not later than thirty (30) days prior to the Termination Date, and if Lessor fails to act within such period, it shall be deemed to have accepted the offer. If Lessor shall have accepted such offer or is deemed to have accepted such offer, on the Termination Date, Lessor shall convey by special warranty deed to Lessee any remaining portion of the Premises free of liens and encumbrances (except those created by Lessee or with the written consent of Lessee), along with the right to receive any condemnation award and insurance proceeds to which Lessor is entitled. If Lessor rejects such offer, this Lease shall terminate on the Termination Date, except for liabilities which accrued prior thereto and upon payment of all Fixed Rent and Additional Rent payable through the Termination Date.

13. DEFAULT.

13.1 Lessee Default. The occurrence of any one or more of the following events shall constitute a breach of this Lease by Lessee:

(a) Lessee fails to pay any Rent as and when such Rent becomes due and payable and such failure continues for more than five (5) days after notice thereof to Lessee, in the case of Fixed Rent, or ten (10) days after notice thereof to Lessee, in the case of Additional Rent; or

(b) Lessee fails to perform or breaches any other agreement or covenant of this Lease to be performed or observed by Lessee as and when performance or observance is due and such failure or breach continues for more than 30 days after notice thereof to Lessee; provided, however, that if, by the nature of such agreement or covenant, such failure or breach is capable of being cured, cannot reasonably be cured by the payment of money and cannot reasonably be cured within such period of 30 days, an Event of Default shall not exist as long as Lessee commences with due diligence and dispatch the curing of such failure or breach within such period of 30 days and, having so commenced, thereafter prosecutes with diligence and dispatch and completes the curing of such failure or breach within a reasonable time, to be not later than one hundred twenty (120) days following receipt of such notice; or

(c) Lessee: (i) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction; (ii) makes an assignment for the benefit of its creditors; or (iii) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers, with respect to Lessee or of any substantial part of Lessee's property; or

(d) Without consent by Lessee, as applicable, a court or government authority enters an order, and such order is not vacated within 90 days: (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to or with respect to any substantial part of Lessee's property; or (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy, insolvency or other debtors' relief law of any jurisdiction; or (iii) ordering the dissolution, winding-up or liquidation of Lessee; or

(e) This Lease or any estate of Lessee hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within 60 days; or

(f) Any of Lessee's representations or warranties contained in this Lease or in any certificate or other writing delivered pursuant hereto or thereto shall have been incorrect in any material adverse respect when made; or

(g) Lessee fails to maintain insurance in accordance with Section 10.2 hereof.

Lessor may treat the occurrence of any one or more of the foregoing Events of Default as a breach of this Lease. For so long as such Event of Default continues, Lessor, at its option and with or without notice or demand of any kind to Lessee or any other person, may have any one or more of the remedies provided in this Lease, in addition to all other remedies and rights provided at law or in equity.

13.2 Lessor Default. The occurrence of any one or more of the following events shall constitute a breach of this Lease by Lessor:

(a) Lessor fails to abide by material terms of this Lease, including but not limited to Lessor's obligations under Section 3.1; or

(b) Any of Lessee's representations or warranties contained in this Lease or in any certificate or other writing delivered pursuant hereto or thereto shall have been incorrect in any material adverse respect when made.

Lessee may treat the occurrence of any one or more of the foregoing Events of Default as a breach of this Lease. For so long as such Event of Default continues, Lessee, at its option and with or without notice or demand of any kind to Lessor or any other person, may have any one or more of the remedies provided in this Lease, in addition to all other remedies and rights provided at law or in equity.

14. RESULTS OF DEFAULT.

14.1 Remedies. In the event of any Event of Default by Lessor, Lessee may exercise any remedies available at law or equity. In the event of any Event of Default by Lessee, Lessor may, in addition to, and not in derogation of any remedies for any preceding breach, with or without notice of demand (except as otherwise expressly provided herein) and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Event of Default, exercise any one or more of the following remedies:

(a) Lessor shall have the right at any time to give a written termination notice to Lessee and, on the date specified in such notice, Lessee's right to possession shall terminate and this Lease shall terminate and Lessee shall immediately quit and surrender possession of the Premises, without let or hindrance. Subject to Lessor's obligations under subsection (b) below, upon such termination, Lessor shall have the right to recover from Lessee:

(i) The worth at the time of determination of all unpaid Rent which had been earned at the date of termination;

(ii) The worth at the time of determination of the amount by which all unpaid Rent which would have been earned after termination until the time of determination exceeds Lessor's net income from the Premises, as determined pursuant to subsection (b) below;

(iii) The worth at the time of determination of the amount by which all unpaid Rent for the balance of the Term of this Lease after the time of determination exceeds the rent actually received by Lessor from reletting the Premises, as determined pursuant to subsection (b) below; and

(iv) All other amounts reasonably necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform all of Lessee's obligations under this Lease or which in the ordinary course of events would be likely to result therefrom, including without limitation any prepayment premium, make-whole premium or fee (however denominated) payable under the First Mortgage and any costs, loss or damage whatsoever arising out of, or in connection

with, or incident to Lessor's re-entry upon the Premises, removal of any persons in possession thereof (whether in a proceeding in unlawful detainer or otherwise), subject to any rights of unit sublessees under applicable federal or state law, and removal and storage in any warehouse or other suitable place of Lessee's Trade Fixtures and Lessee's other property by Lessor. The "worth at the time of determination" of the amounts referred to in clause (i) above shall be computed by allowing interest at the Overdue Rate. The "worth at the time of determination" of the amount referred to in clauses (ii) and (iii) above and subsection (b) below shall be computed by discounting such amount at the discount rate of the New York Federal Reserve Bank at the time of award plus three percent (3%). For the purpose of determining unpaid Rent under clause (i), (ii) and (iii) above, the Rent reserved in this Lease shall be deemed to be the total Rent payable by Lessee under this Lease, and it shall be presumed that Additional Rent for the balance of the Term shall increase a certain percentage per annum, which shall be the same percentage as the average of the Additional Rents for the last full five (5) Lease Years prior to the Termination Date exceeded Additional Rent for the immediately preceding Lease Year.

(b) [Reserved].

(c) Even though Lessee has breached this Lease, this Lease shall continue in effect for so long as Lessor does not terminate Lessee's right to possession, and Lessor shall have the right to enforce all of its rights and remedies under this Lease, including the right to recover all Rent as it becomes due under this Lease. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Lessor to protect Lessor's interest under this Lease shall not constitute a termination of Lessee's right to possession unless notice of termination is given by Lessor to Lessee. If Lessor elects to relet the Premises, any net income (after reasonable costs of preparing the Premises for reletting, including marketing costs, the cost of alterations and improvements paid by Lessor, brokerage commissions, attorneys' fees and other costs incurred in connection with reletting) shall be deducted from the amount that Lessee is obligated to pay under this Section.

(d) If Lessee abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any movable furniture, equipment, trade fixtures or personal property belonging to Lessee and left in the Premises shall be deemed to be abandoned, at the option of Lessor, and Lessor shall have the right to sell or otherwise dispose of such personal property in any commercially reasonable manner at Lessee's expense. If Lessee abandons the Premises, Lessor shall have the right, but not the obligation, to let the Premises on reasonable terms for the account of Lessee, and Lessee shall be liable for all costs of such letting, including without limitation the cost of preparing the Premises for subtenants and leasing commissions paid to brokers.

(e) To the extent permitted by, and subject to the requirements of, Applicable Laws, each and every right, power and remedy herein specifically given to Lessor or otherwise in this Lease shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute. Each and every right, power and remedy, whether specifically herein given or otherwise existing, may be exercised from time to time and as often and in such order as may be deemed expedient by Lessor, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any right, power or remedy. No delay or omission by Lessor or Lessee in the exercise of any right, power or remedy or in the pursuit of any remedy

shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of Lessor or Lessee, respectively, or to be an acquiescence therein. Lessor's or Lessee's consent to any request made by Lessee or Lessor, as applicable, shall not be deemed to constitute or preclude the necessity for obtaining Lessor's or Lessee's consent, respectively, in the future, to all similar requests. No express or implied waiver by Lessor or Lessee of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default. Lessor and Lessee shall use reasonable efforts to mitigate any damages suffered by Lessor or Lessee, as applicable, that result from an Event of Default.

(f) If an action shall be brought for the enforcement of any provision of this Lease in which it shall be determined that an Event of Default has occurred, the defaulting party shall pay to the non-defaulting party all costs and other expenses which may become payable as a result thereof, including reasonable attorneys' fees and expenses. If the non-defaulting party shall, without fault on its part, be made a party to any litigation commenced against the defaulting party, such defaulting party shall pay all costs and reasonable attorneys' fees actually incurred or paid by the non-defaulting in connection with such litigation.

14.2 Cure by Lessor. All agreements and covenants to be performed or observed by a defaulting party under this Lease shall be at the defaulting party's sole cost and expense and (if Lessee is the defaulting party) without any abatement of Fixed Rent or Additional Rent. If the defaulting party fails to pay any sum of money to be paid by such defaulting party or to perform any other act to be performed by such defaulting under this Lease as and when due or required to be performed, and such failure continues beyond 30 days' written notice to such defaulting party, except in the event of emergencies (when only immediate notice shall be required), the non-defaulting shall have the right, but shall not be obligated, and without waiving or releasing the defaulting from any obligations of such defaulting party, to make any such payment or to perform any such other act on behalf of such defaulting party in accordance with this Lease. Upon an Event of Default by Lessee, all reasonable sums so paid by Lessor and all necessary incidental costs shall be deemed Additional Rent hereunder and shall be payable by Lessee to Lessor within 30 days following Lessor's statement therefor and submission of reasonable evidence of such expenditures, together with interest thereon at the Overdue Rate. Upon an Event of Default by Lessor, all reasonable sums so paid by Lessee and all necessary incidental costs shall be payable by Lessor to Lessee within 30 days following Lessee's statement therefor and submission of reasonable evidence of such expenditures, together with interest thereon at the Overdue Rate. The non-defaulting party shall have the same rights and remedies in the event of the nonpayment of such sums plus interest by the defaulting party as in the case of default by Lessee in the payment of Rent.

15. SUBORDINATION AND TITLE.

15.1 Nondisturbance and Notice.

(a) Lessee shall at any time hereafter, and from time to time within 30 days of written request of Lessor, execute and deliver to Lessor an instrument in the form customarily used by any Mortgagee subjecting and subordinating this Lease to the lien of any mortgage, deed of trust, security instrument, ground or underlying lease or other document of like nature (hereinafter collectively referred to as "**Superior Mortgage**") which at any time may be placed upon the Premises, or any portion thereof, by Lessor, and to any replacements, renewals, amendments,

consolidations, modifications, extensions or refinancings thereof, and to each and every advance made under any Superior Mortgage. Any such refinancings shall require the prior written consent of Lessee, which consent shall not be unreasonably withheld or delayed. It is agreed, nevertheless, that so long as there exists no Event of Default, such subordination agreement or other instrument, release or document (herein, "**Subordination Agreement**") shall not interfere with, hinder or reduce Lessee's Equity, the Option to Call, Lessee's right to quiet enjoyment under this Lease or the right of Lessee to continue to occupy the Premises, and all portions thereof, and to conduct its business thereon in accordance with the covenants, conditions, provisions, terms and agreements of this Lease (collectively, "**Lessee's Rights**"). The costs of preparing and recording such document shall be borne by Lessee.

(b) If any Mortgagee shall succeed to the rights of Lessor under this Lease or to ownership of the Premises, whether through possession or foreclosure or the delivery of a deed to the Premises in lieu of foreclosure, then such Mortgagee shall automatically be deemed to have recognized this Lease and Lessee's Rights and to assume the obligations of Lessor hereunder accruing on and after the date that such Mortgagee acquired title to the Premises, and Lessee shall attorn to and recognize such Mortgagee as Lessee's landlord under this Lease and shall promptly execute and deliver any instrument that such Mortgagee may reasonably request to evidence such attornment (whether before or after the making of the Mortgage). In the event of any other transfer of Lessor's interest hereunder, such transferee shall automatically be deemed to have recognized this Lease and to assume the obligations of Lessor hereunder accruing on and after the date of such transfer, Lessee shall attorn to and recognize such transferee as Lessee's landlord under this Lease and shall promptly execute and deliver any instrument that such transferee and landlord may reasonably request to evidence such attornment.

(c) Notwithstanding the provisions of subsection (a), the holder of any Mortgage to which this Lease is subject and subordinate shall have the right, at its sole option, at any time, to subordinate and subject the Mortgage, in whole or in part, to this Lease and Lessee's Rights by recording a unilateral declaration to such effect.

(d) Upon fifteen (15) days' advance notice, Lessee shall execute, acknowledge and deliver a document consenting to the assignment by Lessor of this Lease to a Mortgagee, in a form then in use among institutional lenders, with such changes herein as may be reasonably requested by the Mortgagee.

15.2 Lessee's Consent to Assignment for Indebtedness.

Lessee acknowledges that in order to secure Lessor's obligations under any Mortgage debt documents, Lessor will be required to agree in an assignment of lease and/or in the Mortgage (an "**Assignment of Lease**"), among other things, to the assignment (to the extent provided therein) to the Mortgagee of Lessor's right, title and interest to this Lease and to the undertakings of Lessee in this Section. While the Assignment of Lease and the Mortgage are in effect, Lessee hereby:

(a) consents to such assignment;

(b) upon notice from the Mortgagee of Lessor's default under the Mortgage, covenants to make in full to Mortgagee, in Mortgagee's name, when due (without offset, deduction, defense,

deferment, abatement or diminution, except as provided in this Lease), by wire transfer of immediately available funds in accordance with the terms of this Lease:

(i) each payment of Fixed Rent and, to the extent not directly payable by Lessee to third parties or governmental authorities, all Additional Rent; and

(ii) all termination amounts, and other sums payable to Lessor under this Lease; and

(c) agrees:

(i) to deliver to the Mortgagee all notices and other communications which Lessee is required to deliver to the Mortgagee pursuant to this Lease;

(ii) that all consents to be delivered by Lessor pursuant to this Lease shall not be effective unless consent is also given by the Mortgagee, to the extent that Mortgagee consent is required by the Mortgage documents;

(iii) to deliver to the Mortgagee duplicate originals of all written notices and other communications delivered to Lessor pursuant to this Lease, in accordance with this Lease, of the occurrence of any Event of Default, the making of any election, the exercise of any right to terminate all or any portion of this Lease, and the exercise of any option;

(iv) to deliver to the Mortgagee, at such address as the Mortgagee shall designate, all such payments and sums and all such notices and other communications;

(v) that it shall not, except as provided in this Lease or under applicable law, seek to recover from the Mortgagee any moneys paid to the Mortgagee by virtue of the Assignment of Lease and the foregoing provisions; provided, however, that neither the Assignment of Lease nor the foregoing provisions shall limit Lessee's right to recover: (x) any duplicate payment made to the Mortgagee, whether due to computational or administrative error or otherwise, if the Mortgagee has received such payment; (y) all or any portion of a payment in excess of the amount then due under this Lease or otherwise owed by Lessee to Lessor under this Lease, if the Mortgagee has received such payment or amount; and (z) any amounts that have been paid to or are actually held by the Mortgagee that are required to be refunded to, repaid, or otherwise released to or for the benefit of Lessee under this Lease;

(vi) that no payment of Rent (other than payments required by this Lease to be paid to third parties) or delivery of such notices or other communications by Lessee shall be of any force or effect unless paid to the Mortgagee or delivered to the Mortgagee as provided above;

(vii) that Lessee shall not pay any Rent more than thirty 30 days prior to such payment's scheduled due date except as provided in this Lease;

(viii) that Lessee shall not enter into any agreement subordinating or (except as expressly permitted by the terms of this Lease as in effect on the date hereof) terminating this Lease without the prior written consent of the Mortgagee, and that any such attempted subordination or termination without such consent shall be void;

(ix) that Lessee shall not enter into any amendment or modification of this Lease without the prior written consent of the Mortgagee, and any such attempted amendment or modification without such consent shall be void;

(x) that if this Lease shall be amended, it shall continue to constitute collateral under the Mortgage without the necessity of any further act by Lessor, Lessee or the Mortgagee;

(xi) that except as expressly provided in this Lease, Lessee shall not take any action to terminate, rescind or avoid this Lease, notwithstanding, to the fullest extent permitted by law, the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution or other proceeding affecting Lessor or any assignee of thereof and notwithstanding any action with respect to this Lease which may be taken by an assignee, trustee or receiver of Lessor or of any such assignee or by any court in any such proceedings; and

(xii) that the Mortgagee is entitled to all rights and benefits, including without limitation rights to indemnification, specifically referencing the Mortgagee as set forth in this Lease, notwithstanding the fact that the Mortgagee is not a party to this Lease.

The parties acknowledge and agree that the Mortgagee shall be a third party beneficiary of the provisions contained in this Section.

15.3 Lessee Non-Recourse Obligations.

Lessee understands and agrees that Lessor, simultaneously with the execution of this Lease, shall enter into a loan agreement (such agreement, together with an associated First Mortgage and all other loan documents related thereto, are referred to herein as the "**Loan Documents**") with CTL Lending Group LLC, together with its successors and assigns, as the Mortgagee under the First Mortgage, which shall hold a first-position lien against the Premises.

As the primary occupant and manager of the Premises under the terms of this Lease, and in order to ensure Lessee's continuous occupation of the Premises, Lessee further agrees to satisfy and perform all of the non-recourse obligations for the benefit of Lessor and each Mortgagee as contained in this Section as its own obligations. Lessee shall be primarily responsible to Lessor and each Mortgagee for the same as set forth in this Section and shall indemnify and defend Lessor against any and all losses related to any failure to perform the same. Accordingly, Lessee agrees not to cause or allow the following during the term of the Lease:

(a) the retention of any insurance proceeds or condemnation awards in respect of the Premises, its rents or other pledged collateral to any Mortgagee, which are received by Lessee and not applied as provided herein;

(b) any breach of a Hazardous Materials indemnity agreement which may be part of the Loan Documents or documents entered into in connection with a Mortgage other than the First Mortgage;

(c) any amendment, termination or surrender of this Lease without the prior written consent of Lessor and each Mortgagee, other than a cancellation or termination under an express cancellation

or termination right set forth in this Lease as of the date hereof or in an amendment consented to in writing by Lessor and each Mortgagee;

(d) the filing of a voluntary petition under the United States Bankruptcy Code or any other federal or state bankruptcy or insolvency law;

(e) any party related to Lessee consenting to or acquiescing in or joining in an application for the appointment of a custodian, receiver, trustee or examiner for the Premises; or

(f) an assignment for the benefit of creditors (other than for the benefit of a Mortgagee), or admission in writing (other than to a Mortgagee) of Lessee and/or Lessee's insolvency or inability to pay its debts as they become due.

16. LESSOR'S RIGHT OF ENTRY; PARKING; ROOF RIGHTS.

(a) Lessor and its designees shall have the right to enter the Premises at any time during normal business hours in order to perform its obligations under this Lease, and any part of the Premises for any other reason on two (2) Business Days' advance notice and to inspect the same, post notices of non-responsibility, post notices required by Applicable Laws, exhibit the Premises to prospective purchasers and mortgagees, and examine Lessee's books and records pertaining to the Premises (including statements of cash flows and rent rolls), insurance policies, certificates of occupancy and other documents, records and permits in Lessee's possession with respect to the Premises, all of which shall be customary and adequate and reasonably satisfactory to Lessor; provided that Lessor's access hereunder shall not unreasonably interfere with Lessee's operations or any sublessee of a unit at the Premises.

(b) Except as provided for in subsection (c) below, commencing on the Commencement Date Lessee shall have the exclusive use of all parking spaces related to the Premises at no extra charge to Lessee. The location of Lessee's parking spaces shall be designated in the Plans and Specifications. Subject to zoning approval, Lessee may designate all or any portion of the parking areas as reserved.

(c) Lessee shall have the exclusive right, at Lessee's expense, to install, access and maintain an antenna, satellite dish or other communications devices on the roof of the Buildings, subject to compliance with Applicable Laws, in a manner reasonably acceptable to Lessor and so as to not adversely affect the character of the Buildings. Lessee shall take all actions necessary to prevent any such installations from adversely affecting applicable warranties with respect to the roof, and will indemnify and hold harmless Lessor with respect to any actions which adversely affect such warranties.

17. NOTICES. Notices, statements, demands, or other communications required or permitted to be given, rendered or made by either party to the other pursuant to this Lease or pursuant to any applicable law or requirement of public authority, shall be in writing (whether or not so stated elsewhere in this Lease) and shall be deemed to have been properly given, rendered or made, when received by registered mail with return receipt or overnight courier delivery with receipt of delivery, or facsimile transmission with a confirmation copy sent by overnight courier delivery addressed to the other parties, as follows:

To Lessor:

Golden Sands SB LLC
P.O. Box 2375
Aspen, CO 81612

With copies to:

Messner Reeves LLP
c/o Torben M. Welch (UT)
650 Town Center Drive, Suite 700
Costa Mesa, California 92626

To Lessee:

Housing Authority of the County of San Bernardino
715 East Brier Drive
San Bernardino, CA 92408
Attn: Executive Director

With copies to:

Thomas E. Lewis
Law Office of Thomas E. Lewis
806 West 19th Street
Merced, CA 95340

18. ESTOPPEL CERTIFICATE; FINANCIAL DATA.

(a) At any time and from time to time, Lessee shall, within fifteen (15) days after written request by Lessor or a Mortgagee, execute, acknowledge and deliver to Lessor and/or such Mortgagee a certificate certifying: (i) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the date and nature of each modification); (ii) the Commencement Date, the Lease Expiration Date and the date, if any, to which all Rent and other sums payable hereunder have been paid; (iii) the amount of Fixed Rent currently payable monthly; (iv) that no notice has been received by Lessee of any default by Lessee hereunder which has not been cured, except as to defaults specified in such certificate; (v) to Lessee's knowledge that Lessor is not in default under this Lease, except as to defaults specified in such certificate; and (vi) as to such other matters as may be reasonably requested by Lessor or any current or prospective purchaser or mortgage lender. Any such certificate may be relied upon by Lessor and any current or prospective purchaser or mortgage lender of the Premises or any part thereof.

(b) At any time and from time to time, Lessor shall, within fifteen (15) days after written request by Lessee, execute, acknowledge and deliver to Lessee a certificate certifying: (i) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the date and nature of each modification); (ii) the Commencement Date, the Lease Expiration Date and the date, if any, to which all Rent and

other sums payable hereunder have been paid; (iii) the amount of Fixed Rent currently payable monthly; (iv) that no notice has been received by Lessor of any default by Lessee hereunder which has not been cured, except as to defaults specified in such certificate; (v) to Lessor's knowledge that Lessee is not in default under this Lease, except as to defaults specified in such certificate; and (vi) as to such other matters as may be reasonably requested by Lessee, any prospective assignee of this Lease or any other party then dealing with Lessee. Any such certificate may be relied upon by Lessee, any prospective assignee of this Lease or any other party then dealing with Lessee.

(c) Lessee shall provide to Lessor: (i) within 270 days after the end of each fiscal year of Lessee, annual audited financial statements of Lessee, prepared by an independent certified public accountant in accordance with generally accepted accounting principles; and (ii) if prepared by Lessee, within 45 days after the end of each calendar quarter, unaudited quarterly financial statements of Lessee, certified by Lessee's chief financial officer, treasurer, controller or equivalent officer.

19. LIENS.

(a) Lessee shall not suffer or permit any mechanic's lien or other lien, security interest or encumbrance to be filed or recorded against the Premises, the Rent, equipment or materials supplied or claimed to have been supplied to the Premises, other than Permitted Encumbrances. If any such mechanic's lien or other lien or encumbrance shall at any time be filed or recorded against the Premises, or any portion thereof, Lessee shall cause the same to be discharged of record (by bonding off or otherwise) within forty-five (45) days after the date of filing or recording of the same or such longer period (not to exceed ninety (90) days as may be reasonably required, provided that Lessee is diligently proceeding to address the same. However, in the event that Lessee desires to contest the validity of any lien, it shall: (i) on or before 60 days prior to the due date thereof (but in no event later than 30 days after the filing or recording thereof), notify Lessor in writing, that Lessee intends to so contest same; (ii) on or before the due date thereof, if such lien involves an amount in excess of $50,000 or if any Mortgagee so requires, deposit with Lessor a bond or other security (in form and content reasonably satisfactory to Lessor and the Mortgagee) for the payment of the full amount of such lien, and from time to time deposit additional security so that, at all times, adequate security will be available for the payment of the full amount of the lien together with all interest, penalties, costs and other charges in respect thereof.

(b) If Lessee complies with the foregoing, and Lessee continues, in good faith, to contest the validity of such lien in accordance with the requirements of Section 25, Lessee shall be under no obligation to pay such lien until such time as the same has been decreed, by court order, to be a valid lien on the Premises. Any surplus deposit retained by Lessor after the payment or discharge of the lien shall be repaid to Lessee. Lessee shall indemnify and defend Lessor and any Mortgagee against and save Lessor and any Mortgagee and the Premises, and any portion thereof, harmless from and against all losses, costs, damages, expenses, liabilities, suits, penalties, claims, demands and obligations, including without limitation, reasonable attorneys' fees, resulting from the assertion, filing, foreclosure or other legal proceedings with respect to any such mechanic's lien or other lien or the attempt by Lessee to discharge same as above provided.

(c) All materialmen, contractors, artisans, engineers, mechanics, laborers and any other Person now or hereafter furnishing any labor, services, materials, supplies or equipment to Lessor or Lessee with respect to the Premises, or any portion thereof, are hereby charged with notice that they must look exclusively to Lessee to obtain payment for the same. Notice is hereby given that Lessor shall not be liable for any labor, services, materials, supplies, skill, machinery, fixtures or equipment furnished or to be furnished to Lessee upon credit, and that no mechanic's lien or other lien for any such labor, services, materials, supplies, machinery, fixtures or equipment shall attach to or affect the estate or interest of Lessor in and to the Premises, or any portion thereof.

(d) In the event of the failure of Lessee to discharge any charge, lien, security interest or encumbrance as aforesaid, Lessor may, if not discharged by Lessee within three (3) Business Days after notice to Lessee, discharge such items by payment or bond or both, and Lessee will repay to Lessor upon demand, any and all amounts paid by Lessor therefor, or by reason of any liability on such bond, and also any and all incidental expenses, including reasonable attorneys' fees, actually incurred by Lessor in connection therewith, together with interest at the Overdue Rate.

20. END OF TERM.

20.1 Surrender.

(a) Upon the expiration or earlier termination of the Term of this Lease which shall not result in Lessee taking possession of the Premises as provided in Section 3, Lessee shall surrender the Premises to Lessor in the same condition and suitable for the same use in which the Premises were on the Commencement Date, except as repaired, rebuilt or altered as required or permitted by this Lease (or, in the case of termination pursuant to Section 12 herein, as condemned), and in all cases except for ordinary wear and tear, and shall surrender keys to the Premises to Lessor at the place then fixed for notices to Lessor and shall inform Lessor of all combinations on locks, safes and vaults, if any. Except as otherwise provided herein, Lessee shall at such time remove all of its property (including Lessee's Trade Fixtures). All property of Lessee not removed on or before the last day of the Term of this Lease shall be deemed abandoned. Lessor may remove all property of Lessee, including Lessee's Trade Fixtures, from the Premises upon termination of this Lease and cause its transportation and storage, at the sole risk of Lessee, and Lessor shall not be liable for damage, theft, misappropriation or loss thereof in any manner in respect thereto and Lessor shall be entitled to dispose of such property, as Lessor deems fit, without the requirement of an accounting.

(b) If the Premises are not surrendered as above set forth, and such holdover continues for a period in excess of ninety (90) days, Lessee shall indemnify, defend and hold Lessor and any Mortgagee harmless from and against loss or liability resulting from the delay by Lessee in so surrendering the Premises, including, without limitation, any claim made by any succeeding occupant founded on such delay. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of this Lease. If Lessee holds possession of the Premises after expiration of the Term of this Lease, Lessee shall become a Lessee from month to month upon the terms herein specified. Such month to month tenancy may be terminated by either Lessor or Lessee by giving 30 days' notice of termination to the other at any time. In addition to the foregoing, and in addition to the Additional Rent, Lessee shall pay to Lessor a sum equal to 125% of the Fixed Rent for the first month and 150% of the Fixed Rent payable hereunder

immediately prior to the termination thereafter, during each month or portion thereof for which Lessee shall remain in possession of the Premises or any part thereof after the termination of the Term or of Lessee's rights of possession, whether by lapse of time or otherwise. The provisions of this subsection shall not be deemed to limit or constitute a waiver of any other rights or remedies of Lessor provided herein, at law or at equity.

(c) Except for surrender upon the expiration or earlier termination of the Term of this Lease which shall not result in Lessee taking possession of the Premises as provided in Section 3, no surrender to Lessor of this Lease or of the Premises shall be valid or effective unless agreed to and accepted in writing by Lessor and Mortgagee.

20.2 Return of Premises.

Lessee shall, upon the expiration or termination of this Lease which shall not result in Lessee taking possession of the Premises as provided in Section 3, and at its own expense, return the Premises to Lessor by surrendering the same into the possession of Lessor:

(a) free and clear of all liens, except Permitted Encumbrances and liens created or caused by Lessor or Lessor's Representatives; and

(b) in compliance with all Applicable Laws and in compliance with the maintenance conditions required by this Lease.

(c) Upon the return of the Premises, Lessee shall deliver therewith:

(i) all transferable licenses, permits and the like by general assignment, without warranty as to the transferability or otherwise and without recourse;

(ii) as-built drawings including plans for heating, ventilation and air conditioning, mechanical and electrical systems, to the extent in Lessee's possession or control;

(iii) keys to the Premises; and

(iv) an assignment of maintenance contracts designated by Lessor and existing warranties by general assignment, without warranty as to assignability or otherwise and without recourse.

(d) Lessee shall not be obligated to restore the Premises at the end of the Term. Lessee shall have the right, but not the obligation, to remove any of its trade or specialty fixtures, cabling, security system, phone equipment or other telecommunication equipment after the expiration of the Term or any earlier termination.

21. ALTERATIONS.

(a) Lessee shall not make any alterations, additions or improvements in or to the Premises or any part thereof, or attach any fixtures or equipment thereto, without Lessor's prior written consent. Notwithstanding the preceding sentence, Lessee may make such alterations, additions or improvements without Lessor's consent only if: (i) such alterations, additions or improvements

will be in compliance with all Applicable Laws; (ii) such alterations, additions or improvements will not reduce the fair market value of the Premises, considered as unencumbered by this Lease or change the character or reduce the useful life of the Buildings or materially or adversely change the Buildings; (iii) such alterations, additions or improvements will not affect in any way the structural, exterior or roof elements of the Premises or mechanical, electrical, plumbing, utility or life safety systems of the Premises or require any material demolition, or cause an increase in the costs or obligations of Lessor; and (iv) such alterations are reasonably estimated to have a cost (with respect to any particular project) of less than $100,000. Lessee shall give prior notice of any such alterations, additions or improvements (regardless of whether consent is required) to Lessor. In no event shall Lessee be permitted to install underground storage tanks or fuel systems on the Premises.

(b) All alterations, additions or improvements having a value of $100,000 or greater proposed by Lessee and requiring Lessor's consent shall be made at Lessee's sole cost and expense as follows:

(i) Lessee shall submit to Lessor complete plans and specifications for all work to be done by Lessee. Such plans and specifications shall be prepared by the licensed architect(s) and engineer(s), shall comply with all Applicable Laws, shall not adversely affect the structural elements of the Buildings and shall be in a form sufficient to secure the approval of all government authorities with jurisdiction over the Premises.

(ii) With respect to alterations for which Lessor's approval is required, within ten (10) Business Days after receipt of the complete plans and specifications described above, Lessor shall notify Lessee in writing whether Lessor approves or disapproves such plans and specifications; and Lessor shall describe the reasons for any such disapproval. Lessor's failure to deliver a notice within the time period specified above approving or disapproving such plans and specifications shall be conclusively deemed Lessor's approval of such plans and specifications. Lessee may submit to Lessor revised plans and specifications for Lessor's prior written approval, which approval shall be granted if: (y) the work to be done would not, in Lessor's reasonable judgment, adversely affect the value, character, rentability or usefulness of the Premises or any part thereof; or (z) the work to be done shall be required by any Applicable Law. Lessee shall pay all costs, including the fees and expenses of the licensed architect(s) and engineer(s), in preparing such plans and specifications.

(iii) All material changes in the plans and specifications required to be approved by Lessor shall be subject to Lessor's prior written approval, and changes not requiring Lessor's approval will be provided to Lessor prior to commencement of the construction described therein. For the purpose of this subsection a "material change" shall be one which: (y) exceeds $100,000; and/or (z) adversely affects the structure or the building systems of the Buildings. If Lessee wishes to make a change in approved plans and specifications, Lessee shall have such architect(s) and engineer(s) prepare plans and specifications for such change and submit them to Lessor. For alterations requiring Lessor's approval, Lessor shall notify Lessee in writing promptly whether Lessor approves or disapproves such change; and, if Lessor disapproves such change, Lessor shall describe the reasons for disapproval. Lessee may submit to Lessor revised plans and specifications for such change for Lessor's written approval. Lessor's failure to respond within ten (10) days shall be deemed approval of the proposed change. After Lessor's written approval or deemed

approval of such change, such change shall become part of the plans and specifications approved by Lessor.

(iv) Lessee shall obtain and comply with all building permits and other government permits and approvals required in connection with the work. Lessee shall, through Lessee's licensed contractor, perform the work in a good and workmanlike manner substantially in accordance with the plans and specifications prepared as set forth above. Lessee shall pay, as Additional Rent, the entire cost of all work (including the cost of all utilities, permits, fees, taxes, and property, worker's compensation and liability insurance premiums in connection therewith) required to make the alterations, additions or improvements. Under no circumstances shall Lessor be liable to Lessee for any damage, loss, cost or expenses incurred by Lessee on account of any plans and specifications, contractors or subcontractors, design of any work, construction of any work, or delay in completion of any work, whether or not Lessor had approved the plans and specifications.

(v) No Event of Default shall have occurred and be continuing prior to commencement of any such alterations.

(c) Lessee shall give written notice to Lessor of the date on which construction of any work to be done by outside contractors will be commenced at least ten (10) days prior to such date. Lessee shall keep the Premises free from mechanic's and materialmen's liens arising out of any work performed, labor supplied, materials furnished or other obligations incurred by Lessee in accordance with the requirements of Section 19.

(d) All alterations, additions, fixtures and improvements, whether temporary or permanent in character, made in or to the Premises by Lessee, shall become part of the Premises and Lessor's property. Termination of this Lease shall not affect the obligations of Lessor pursuant to this Section to be performed after such termination. Under no circumstances shall Lessee be required to remove any Lessee Improvements, alterations, additions or other improvements to the Premises made by Lessee.

22. MEMORANDUM OF LEASE. Following approval of this Lease by Lessee's Board of Commissioners, the parties shall promptly execute a Memorandum of Lease in recordable form, specifically identifying Lessee's Equity interest, and either of the parties shall have the right, without notice to the other party, to record such Memorandum of Lease.

23. SUBLETTING/ASSIGNMENT.

23.1 Rights and Obligations of Lessee.

(a) Lessee may not mortgage, pledge or otherwise encumber its interest in this Lease or in any sublease of the Premises or any part thereof or the rentals payable thereunder. Any such mortgage, pledge or encumbrance made in violation of this Section shall be void. Provided that no Event of Default has occurred and is continuing, Lessee may sublease individual units within the Premises in Lessee's complete and sole discretion and without Lessor's consent, and such interest of Lessee in this Lease may be assigned without Lessor's consent, provided that any such sublease or assignment shall expressly be subject and subordinate to the provisions of this Lease and no such sublease shall permit the tenant thereunder to pay rent in advance for a period of more than one

(1) month, and provided, further, that no such sublease or assignment shall affect or reduce any obligations of Lessee or any rights of Lessor hereunder, and all obligations of the then current Lessee hereunder shall continue in full effect as the obligations of a principal and not of a guarantor or surety, to the same extent as though no assignment or sublease had been made. Notwithstanding the foregoing, nothing in this Lease shall be deemed as a restriction or requirement by Lessor of any sublease terms and conditions and, provided that all Rent is timely paid to Lessor and that no Event of Default has occurred and is continuing hereunder, Lessee shall be entitled to retain all proceeds of such subleases or assignments. If Lessee assigns its interest in this Lease, the assignee shall, in an instrument delivered to Lessor at the time of such assignment expressly assume all of the obligations of Lessee hereunder. Lessee shall, within ten (10) days after the execution of any such sublease or assignment, other than any sublease of individual units which is required to be maintained confidential under federal or state law, deliver an executed copy thereof to Lessor. This Lease shall not, nor shall any interest herein, be assignable as to the interest of Lessee involuntarily or by operation of law without the prior written consent of Lessor, and any such assignment without the prior written consent of Lessor shall be void and shall, at the option of Lessor, constitute a default that entitles Lessor to terminate this Lease, provided that a merger, consolidation or similar reorganization of Lessee where Lessee's obligations are assumed by the successor entity by operation of law shall not be deemed to be an assignment hereunder.

(b) No assignment or sublease whatsoever shall release Lessee from Lessee's obligations and liabilities under this Lease (which shall continue as the obligations of a principal and not of a guarantor or surety) or alter the primary liability of Lessee to pay all Rent and to perform all obligations to be paid and performed by Lessee, except in the event that such assignment or sublease is approved by Lessor. The acceptance of Rent by Lessor from any other person or entity shall not be deemed to be a waiver by Lessor of any provision of this Lease. If any assignee, subtenant or successor of Lessee defaults in the performance of any obligation to be performed by Lessee under this Lease, except in the event that such assignment or sublease is approved by Lessor, Lessor may proceed directly against Lessee without the necessity of exhausting remedies against such assignee, subtenant or successor.

(c) Lessee will be entitled to retain the profits, if any, of any sublease of part or all of the Premises and of any assignment of this Lease.

23.2 Assignment of Rents. Lessee hereby assigns to Lessor all security deposits and rents due or to become due from any subtenant, effective as of the date of the happening of an Event of Default under the provisions of this Lease. Thereupon, Lessor shall apply any net amount collected by it from subtenants to the Rent due under this Lease. No collection of Rent by Lessor from an assignee of this Lease or from a subtenant shall constitute a waiver of any of the provisions of this Section or an acceptance of the assignee or subtenant as a tenant or a release of Lessee from performance by Lessee of its obligations under this Lease. Lessee shall not directly or indirectly collect or accept any payment of subrent under any sublease more than one (1) month in advance of the date when the same shall become due. Each sublease shall require the subtenants to attorn to Lessor, at Lessor's request, in the event that Lessee shall default under this Lease. Upon default by Lessee under this Lease, Lessor shall have the right to require subtenants to make their rent payments directly to Lessor.

24. HAZARDOUS MATERIAL.

(a) Lessee shall, with respect to any environmental issue first occurring on and after the punch list date (or in the case of any environmental issue caused by the acts or omissions of Lessor or Lessor's Representatives, at any time during the Term): (i) comply, and cause the Premises to comply, with all Environmental Laws applicable to the Premises (including the making of all submissions to governmental authorities required by Environmental Laws and the carrying out of any remediation program specified by such authority); (ii) prohibit the use of the Premises for the generation, manufacture, refinement, production, or processing of any Hazardous Material (as hereinafter defined) or for the storage, handling, transfer or transportation of any Hazardous Material (other than in connection with the operation, business and maintenance of the Premises and in commercially reasonable quantities as a consumer thereof and in compliance with Environmental Laws); (iii) not install or permit the installation on the Premises of any surface impoundments, underground storage tanks, pcb-containing transformers or asbestos-containing materials; and (iv) cause any alterations of the Premises to be done in a way so as to not expose in an unsafe manner the persons working in or visiting the Premises to Hazardous Materials, and in connection with any such alterations shall remove any Hazardous Materials present upon the Premises which are not in compliance with Environmental Laws or which present a danger to persons working in or visiting the Premises.

(b) Lessee shall protect, defend, indemnify and hold harmless Lessor, its direct and indirect members, partners, shareholders, beneficiaries, managers, Mortgagees, directors, officers, employees and agents, and any successors and assigns from and against any and all liability, including all foreseeable and all unforeseeable damages including but not limited to attorneys' and consultants' fees, fines, penalties and civil or criminal damages, and including loss of value, directly or indirectly arising out of the use, generation, storage, treatment, release, threatened release, discharge, spill, presence or disposal of Hazardous Materials by Lessee or its employees, officers, agents or contractors from, on, at, to or under the Premises during the Term of this Lease and first occurring on and after the Commencement Date, including without limitation, the cost of any required or necessary repair, response action, remediation, investigation, cleanup or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following transfer of title to the Premises, except to the extent caused by: (i) Hazardous Materials migrating from property adjacent to the Premises (and such migration is not resulting from Lessee's or Lessee's Representatives' acts or omissions); (ii) the negligence or misconduct of Lessor or Lessor's Representatives; or (iii) any act or omission of Lessor or Lessor's Representatives which results in a violation of any Environmental Law. This agreement to indemnify and hold harmless shall be in addition to any other obligations or liabilities Lessee may have to Lessor at common law, under all Applicable Laws or otherwise, and shall survive, with respect to liability that accrues during the Term of this Lease, without limit of time. The representations, warranties and covenants made and the indemnities stated in this Lease are not personal to Lessor, and the benefits under this Lease shall be automatically assigned to subsequent parties in interest to the chain of title to the Premises and Mortgagees, which subsequent parties in interest may proceed directly against Lessee to recover pursuant to this Lease. Lessee, at its expense, may institute appropriate legal proceedings with respect to environmental matters of the type specified in this Section or any lien for such environmental matters, not involving Lessor or its Mortgagee as a defendant (unless Lessor or its Mortgagee is the alleged cause of the damage), conducted in good faith and with due diligence, provided that such proceedings shall not in any way impair the interests of Lessor or Mortgagee under this Lease or contravene the provisions of any First Mortgage. Counsel to Lessee in such proceedings shall be

reasonably approved by Lessor if Lessor is a defendant in the same proceeding. Lessor shall have the right to appoint co-counsel, which co-counsel will cooperate with Lessee's counsel in such proceedings. The fees and expenses of such co-counsel shall be paid by Lessor unless such co-counsel are appointed because the interests of Lessor and Lessee in such proceedings, in such counsel's opinion, are or have become adverse, or Lessee or Lessee's counsel, in Lessor's reasonable judgment, is not conducting such proceedings in good faith or with due diligence, in which events the fees and expenses of such co-counsel shall be paid by Lessee.

(c) Lessee, upon not less than two (2) days' prior notice, shall permit such persons as Lessor or Mortgagee may designate and (unless an Event of Default has occurred and is continuing) approved by Lessee ("**Site Reviewers**") to visit the Premises from time to time and perform an environmental site investigation and assessment ("**Site Assessment**") on the Premises for the purpose of determining whether there exists on the Premises any environmental condition which may result in any liability, cost or expense to Lessor or any other owner or occupier of the Premises. Such Site Assessments may include both above and below the ground testing for environmental damage or the presence of Hazardous Materials on the Premises and such other tests on the Premises as may be necessary to conduct the Site Assessments in the reasonable opinion of the Site Reviewers. Lessee shall supply to the Site Reviewers such historical and operational information regarding the Premises as may be reasonably requested by the Site Reviewers to facilitate the Site Assessments and shall make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. Any such access or inspection by Lessor shall not unreasonably interfere with Lessee's operations or any unit sublessee or their respective uses of the Premises. Provided that, at the time that it orders a Site Assessment, Lessor has reasonable cause to believe that there may be a violation of Environmental Laws with respect to the Premises for which Lessee is responsible under this Section, or if an Event of Default has occurred and is continuing, the cost of performing and reporting such Site Assessment shall be paid by Lessee within 30 days after demand by Lessor. Lessor, promptly after written request by Lessee and payment by Lessee to the extent required as aforesaid, shall deliver to Lessee copies of reports, summaries or other compilations of the results of such Site Assessments.

(d) Lessee shall notify Lessor in writing, promptly upon Lessee's learning thereof, of any:

(i) notice or claim to the effect that Lessee or any other Person is or may be liable to any Person as a result of the release or threatened release of any Hazardous Material into the environment from the Premises;

(ii) notice that Lessee or any other Person is subject to investigation by any governmental authority evaluating whether any remedial action is needed to respond to the release or threatened release of any Hazardous Material into the environment from the Premises;

(iii) notice that the Premises are subject to an environmental lien;

(iv) notice of violation to Lessee or awareness by Lessee of a condition which might reasonably result in a notice of violation of any applicable Environmental Law that could have a material adverse effect upon the Premises or the value of the Premises; or

(v) Release of Hazardous Materials on the Premises or presence of Hazardous Materials on the Premises in violation of Environmental Laws.

25. PERMITTED CONTESTS. Lessee shall not be required to: (i) pay any Imposition; (ii) comply with any Applicable Law; (iii) remove any lien or encumbrance; (iv) take any action with respect to any encroachment, hindrance, obstruction, violation or impairment referred to in this Lease; or (v) discontinue a particular use under Section 2(c) herein, so long as Lessee shall contest, in good faith and at its expense, the existence, the amount or the validity thereof, the amount of the damages caused thereby, or the extent of its liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent: (w) the collection of, or other realization upon, the tax, assessment, levy, fee, rent or charge or lien, encumbrance or charge so contested; (x) the sale, forfeiture or loss of the Premises, or any part thereof, or the Fixed Rent or any Additional Rent, or any portion thereof; (y) any interference with the use or occupancy of the Premises or any part thereof; and (z) any interference with the payment of the Fixed Rent or any Additional Rent, or any portion thereof. While any such proceedings are pending, Lessor shall not have the right to pay, remove or cause to be discharged the tax, assessment, levy, fee, rent or charge or encumbrance or charge thereby being contested. Each such contest shall be promptly prosecuted by Lessee to a final conclusion. Lessee shall pay, and save Lessor and the Mortgagee harmless against, any and all losses, judgments, decrees and costs (including all reasonable attorneys' fees and expenses) in connection with any such contest and shall, promptly after the final settlement, compromise or determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with all penalties, fines, interests, costs and expenses thereof or in connection therewith, and perform all acts, the performance of which shall be ordered or decreed as a result thereof; provided, however, that nothing herein contained shall be construed to require Lessee to pay or discharge any lien, encumbrance or other charge created by any act or failure to act of Lessor or the payment of which by Lessee is not otherwise required hereunder, or to perform any act which Lessee is not otherwise required to perform hereunder. No such contest may subject Lessor or the Mortgagee to the risk of any criminal or civil liability.

26. ENVIRONMENTAL.

26.1 Environmental Indemnification.

(a) Lessor represents, warrants and covenants to Lessee that the Premises will be free of Hazardous Materials in violation of Environmental Laws on the Commencement Date. Lessor agrees to indemnify Lessee and Lessee's Representatives and hold Lessee and Lessee's Representatives harmless with respect to all liabilities, costs and expenses (including reasonable attorney's fees) arising from: (a) the presence of Hazardous Materials on the Premises in violation of Environmental Laws on the Commencement Date; and (b) any violation of Environmental Laws with respect to the Premises at any time during the Term caused by Lessor or any of Lessor's Representatives. Lessor agrees to promptly remediate any condition for which Lessor is providing indemnification under this Section.

(b) Lessor shall notify Lessee in writing, promptly upon Lessor's learning thereof, of any:

(i) notice or claim to the effect that Lessor or any other Person is or may be liable to any Person as a result of the release or threatened release of any Hazardous Material into the environment from the Premises;

(ii) notice that Lessor or any other Person is subject to investigation by any governmental authority evaluating whether any remedial action is needed to respond to the release or threatened release of any Hazardous Material into the environment from the Premises;

(iii) notice that the Premises are subject to an environmental lien;

(iv) notice of violation to Lessor or awareness by Lessor of a condition which might reasonably result in a notice of violation of any applicable Environmental Law that could have a material adverse effect upon the Premises or the value of the Premises; or

(v) Release of Hazardous Materials on the Premises or presence of Hazardous Materials on the Premises in violation of Environmental Laws.

26.2 Contest Rights. Lessor may contest its obligations to cause the Buildings to comply with Applicable Laws and its obligations to provide environmental indemnification hereunder, provided that any such contest complies with the same requirements as are applicable to a contest by Lessee pursuant to Section 25.

27. MANAGEMENT.

(a) Lessor acknowledges that Lessee will act as manager of the Premises. Lessee may manage the Premises either through employees of Lessee or through "contract" or "out-sourced" employees who are employed by an independent employee outsourcing or management company but work at the Premises exclusively for Lessee. Lessee agrees to provide Lessor, to the extent prepared by Lessee, the following: (i) each manager's report of repairs and maintenance activity; and (ii) each detailed operating statement for the Premises setting forth all items of operating income, expenses, insurance costs, utility changes and Taxes. At Lessor's request, Lessee shall also provide copies of service contracts, access to maintenance logs and utility usage charts and other material as reasonably requested by Lessor.

(b) In the event that Lessor reasonably determines that Lessee is not managing the Premises to a standard equivalent to similar apartment complexes in the San Bernardino County, California, Lessor may give Lessee notice to that effect, which notice will specify the items which Lessor believes are not being properly managed. Lessee will have thirty (30) days from receipt of such notice to correct any such deficiencies. In the event that Lessee fails to reasonably correct such deficiencies within such thirty (30) day period, Lessor may direct that Lessee cease managing the Premises, in which event either Lessor or another third party manager mutually agreeable to Lessor and Lessee will be engaged to manage the Premises. If Lessor is engaged to manage the Premises, it shall perform such services for the compensation set forth in the preceding paragraph.

28. ARBITRATION. Any dispute between Lessor and Lessee relating to this Lease shall be settled by arbitration, and any arbitration hereunder shall be conducted in accordance with the then prevailing rules of the American Arbitration Association, or the successor party thereto from time to time in existence. The fees and expenses of the arbitrator shall be divided equally between Lessor and Lessee. Lessor and Lessee shall each bear their own expenses (including, but not limited to, attorney's fees and expenses of witnesses) in any arbitration proceedings. The arbitration proceeding shall be held in San Bernardino, California.

If a dispute shall arise between the parties hereto, and the same is not resolved between the parties, such dispute shall be settled by arbitration pursuant to this Section. In such event, either party hereto may serve upon the other party a written notice demanding that the dispute be resolved pursuant to this Section. Within fifteen (15) days after the giving of such notice, the parties shall mutually agree to an arbitrator or, failing such agreement, an arbitrator shall be appointed by the American Arbitration Association under the expedited rules of the American Arbitration Association. The arbitrator selected must have substantial experience with respect to the general subject matter of the issue under dispute. The arbitrator shall afford to Lessor and Lessee a hearing and the right to submit evidence, with the privilege of cross-examination and the right to compel testimony by applying for subpoena powers to appropriate judicial authority, on the question at issue, and shall, with all possible speed, make a determination in writing and shall give notice to the parties hereto of such determination. The determination of the arbitrator shall be binding upon the parties hereto and shall be enforceable in any court having jurisdiction, without right of appeal.

29. MISCELLANEOUS PROVISIONS.

(a) This Lease and all of the covenants and provisions hereof shall inure to the benefit of, and be binding upon, the parties hereto and the heirs, personal representatives, successors and permitted assigns of the parties.

(b) The titles and headings appearing in this Lease are for reference only and shall not be considered a part of this Lease or in any way to modify, amend or affect the provisions thereof.

(c) This Lease contains the complete agreement of the parties with reference to the leasing of the Premises and may not be amended except by an instrument in writing signed by Lessor and Lessee and consented to by Mortgagee (if any). Any amendment not consented to by Mortgagee (if any) shall be void and have no force and effect.

(d) Any provision or provisions of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions hereof shall nevertheless remain in full force and effect.

(e) This Lease may be executed in one or more counterparts and may be signed by each party on a separate counterpart, each of which, taken together, shall be an original, and all of which shall constitute one and same instrument; provided that Lessor understands and acknowledges that this Lease shall not be authorized by Lessee unless and until Lessee's Board of Commissioners approves this Lease.

(f) The term "Lessor" as used in this Lease shall mean only the owner or owners at the time in question of the leasehold estate to the Premises under this Lease. In the event of any transfer of

such title or interest, Lessor named in this Lease (and in case of any subsequent transfers, the then grantor) shall be relieved from and after the date of such transfer of all liability as respects Lessor's obligations thereafter to be performed hereunder, provided that any funds in the hands of Lessor or the then grantor at the time of such transfer, in which Lessee has an interest, shall be delivered to the grantee. The obligations contained in this Lease to be performed by Lessor shall, subject as aforesaid, be binding on Lessor's successors and assigns, only during their respective periods of ownership.

(g) This Lease shall be governed by, and construed in accordance with, the laws of the State of California. Any action at law or in equity arising under this Lease or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of San Bernardino, State of California, or any other court in that County, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

LESSOR AND LESSEE HEREBY SUBMIT TO NON-EXCLUSIVE PERSONAL JURISDICTION IN THE STATE OF CALIFORNIA AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF CALIFORNIA (AND ANY APPELLATE COURTS TAKING APPEALS THEREFROM) FOR THE ENFORCEMENT OF SUCH PERSON'S OBLIGATIONS HEREUNDER AND WAIVE ANY AND ALL PERSONAL RIGHTS UNDER THE LAW OF ANY OTHER STATE TO OBJECT TO JURISDICTION WITHIN SUCH STATE FOR THE PURPOSES OF SUCH ACTION, SUIT, PROCEEDING OR LITIGATION TO ENFORCE SUCH OBLIGATIONS OF LESSEE OR LESSOR. WITH RESPECT TO A SUIT COMMENCED IN A COURT LOCATED IN THE STATE OF CALIFORNIA, LESSOR AND LESSEE HEREBY WAIVE AND AGREE NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS LEASE: (i) THAT IT IS NOT SUBJECT TO SUCH JURISDICTION OR THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN THOSE COURTS OR THAT IT IS EXEMPT OR IMMUNE FROM EXECUTION; (ii) THAT THE ACTION, SUIT OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM; OR (iii) THAT THE VENUE OF THE ACTION, SUIT OR PROCEEDING IS IMPROPER. IN THE EVENT THAT ANY SUCH ACTION, SUIT, PROCEEDING OR LITIGATION IS COMMENCED, LESSOR AND LESSEE AGREE THAT SERVICE OF PROCESS MAY BE MADE, AND PERSONAL JURISDICTION OVER LESSOR AND LESSEE OBTAINED, BY SERVICE OF A COPY OF THE SUMMONS, COMPLAINT AND OTHER PLEADINGS REQUIRED TO COMMENCE SUCH LITIGATION BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED UPON LESSOR AND LESSEE AT THE ADDRESS FOR NOTICE TO SUCH PERSON IN THIS LEASE.

(h) Any claim based on or in respect of any liability of Lessor under this Lease shall be enforced only against the Premises and not against any other assets, properties or funds of: (i) Lessor or Lessee or any manager, director, officer, shareholder, general partner, limited partner, or direct or indirect partners, employee or agent of Lessor or Lessee, respectively, or its managers (or any legal representative, heir, estate, successor or assign of any thereof); (ii) any predecessor or successor Person of Lessor or Lessee or its managers, either directly or through Lessor or its predecessor or successor Person of Lessor or its general partners; and (iii) any other Person.

(i) Without the written approval of Lessor and Lessee, no Person other than Lessor (including its direct and indirect partners), Mortgagee, Lessee and their respective successors and assigns shall have any rights under this Lease.

(j) There shall be no merger of the leasehold estate created hereby by reason of the fact that the same Person may own directly or indirectly: (i) the leasehold estate created hereby or any interest in this Lease or such leasehold estate; and (ii) the fee estate in the Premises. Notwithstanding any such combined ownership, this Lease shall continue in full force and effect until terminated by an instrument executed by both Lessor and Lessee.

(k) Without the prior written consent of the other party, neither Lessor nor Lessee will directly or indirectly, consolidate with or merge into any corporation, association, partnership or other business organization or permit any corporation, association, partnership or other business organization to consolidate with or merge into it, or sell or otherwise transfer all or substantially all of its properties and assets, or acquire all or substantially all of the assets of any corporation, association, partnership or other business organization or individual (collectively, "**Consolidation**"), unless: (i) the party that is subject to Consolidation shall be the entity surviving such Consolidation, or the surviving entity or transferee shall enter into an assumption of this Lease and the other agreements contemplated by this transaction in form and substance reasonably satisfactory to the other party; (ii) immediately prior to such action, no Event of Default shall have occurred and be continuing; and (iii) immediately after giving effect to such action, no Event of Default shall exist under this Lease as a consequence of such action.

(l) In the event of the termination of this Lease as herein provided, the obligations and liabilities of Lessor and Lessee, as the case may be, actual or contingent, under this Lease which arose at or prior to such termination shall survive such termination.

(m) This Lease is intended as, and shall constitute, a true lease, and Lessor and Lessee shall report their interests herein of accounting, tax and all other purposes as a true lease and shall not take any action or position inconsistent therewith.

(n) Lessor and Lessee agree to reasonably cooperate with each other, at Lessee's expense, in order to permit Lessee to attempt to obtain a sales tax exemption with respect to materials used in construction of the Improvements. Any sales tax savings resulting from such exemption shall be paid to (or retained by) Lessee at the time that the applicable sales taxes would otherwise have been payable.

(o) In the event that any Mortgagee reasonably requests changes, modifications or amendments to this Lease or otherwise requires additional documentation from Lessee as a condition to providing a loan to Lessor secured by a Mortgage on the Premises, Lessee agrees to make any such changes, modifications or amendments so long as they do not have a material adverse effect on the rights or obligations of Lessee hereunder or in any way increase the financial obligations of the Lessee hereunder.

(p) Lessor may grant easements, licenses, rights of way or similar rights, or release or amend any such easements or rights with respect to the Premises, so long that such actions do not interfere

with the benefits or increase the duties of Lessee hereunder. Lessee agrees to reasonably cooperate with Lessor in connection therewith, at no cost to Lessee.

(q) From and after the Commencement Date, if performance of any obligation of Lessee or Lessor required hereunder, other than an obligation which can be accomplished by the payment of money, is prevented or substantially impeded by a strike, labor troubles, material shortages, riots, acts of God, including without limitation governmental preemption in connection with a national emergency, any rule, order or regulation of any department or subdivision of any government agency, conditions of supply and demand which are affected by war, an act of terrorism or any other emergency, the time given to a party to comply with such obligation shall be extended for the period of time equal to the period of delay resulting from any of the foregoing causes or events, provided that such party gives notice to the other party of the occurrence of such event describing the nature thereof, as promptly as is reasonably possible following discovery of the existence of such event.

(r) On or before the Commencement Date, Lessor shall pay the Lease Payment/Operating Expense Reserve and the amounts set forth in the definitions of "Future Capital Replacement Reserve Account," "One Unit Reserve" and "Vacancy Reserve" in Section 1.1 to Lessee.

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IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written.

LESSOR:

GOLDEN SANDS SB LLC, a Wyoming limited liability company

By: Signed by: Harry Richard E97039CCF000406...

Name: Harry Richard
Title: Authorized Partner

LESSEE:

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____

Name: Maria Razo
Title: Executive Director

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written.

LESSOR:

GOLDEN SANDS SB LLC, a Wyoming limited liability company

By: _____
Name: Harry Richard
Title: Authorized Partner

LESSEE:

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: Maria Razo
Name: Maria Razo
Title: Executive Director

EXHIBIT A
Legal Description

15930 Nisqualli Road, Victorville, California 92395

The Land referred to herein below is situated in the City of Victorville, County of San Bernardino, State of California, and is described as follows:

The West 352 feet of the Southeast 1/4 of the Southeast 1/4 of Section 29, Township 5 North, Range 4 West, San Bernardino Meridian, in the City of Victorville, County of San Bernardino, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM the North 1/2 of the North 1/2 of the Southeast 1/4 of the Southeast 1/4 of said Section 29.

For conveyancing purposes only: APN 3092-441-02-0-000.

EXHIBIT B
Permitted Encumbrances

1. [Reserved].

2. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; and (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

3. [Reserved].

4. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

5. [Reserved].

6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; and (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

7. [Reserved].

8. Any claim to: (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, geothermal resources, uranium, clay, rock, sand and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in the title commitment.

8a. General and special taxes and assessments for the fiscal year 2026-2027, a lien not yet due or payable.

9. General and special taxes and assessments for the fiscal year 2025-2026.

First Installment: $98,549.67, PAID
Penalty: $0.00
Second Installment: $98,549.66, OPEN
Penalty: $0.00
Tax Rate Area: 012060
A. P. No.: 3092-441-02-0-000

10. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

11. An easement for either or both pole lines, conduits and incidental purposes, recorded as Book 504, Page 141 of Official Records.

In Favor of: The Pacific Telephone and Telegraph Company
Affects: as described therein

The location of the easement cannot be determined from record information.

12. An easement for above ground or underground conduits or both and incidental purposes, recorded July 19, 1984 as Instrument No. 84-170606 of Official Records.

In Favor of: Continental Telephone Company of California, a California corporation
Affects: as described therein

13. An easement for sewer line and utilities and incidental purposes, recorded February 04, 1986 as Instrument No. 86-030010 of Official Records.

In Favor of: The City of Victorville, a body corporate and politic of the State of California
Affects: as described therein

14. An irrevocable offer of dedication for highway and public road purposes and incidental purposes, recorded January 21, 1987 as Instrument No. 87-019661 of Official Records.

To: The City of Victorville

15. An easement for above ground or underground conduits or both and incidental purposes, recorded October 15, 1987 as Instrument No. 87-370068 of Official Records.

In Favor of: Southern California Edison Company and Continental Telephone Company of California
Affects: as described therein

16. The fact that the land lies within the boundaries of the Victor Valley Redevelopment Project Area, as disclosed by the document recorded July 15, 1992 as Instrument No. 92-292935 of Official Records.

17. An unrecorded lease dated not disclosed, executed by Golden Sands Apartments, L.P., a California limited partnership, by Thomas Tomanek, General Partner as lessor and Web Service Company, Inc. as lessee, as disclosed by a Memorandum of Lease recorded January 23, 2007 as Instrument No.2007-0045855 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

18. An easement for street, highways, sewers, drainage, public utilities, and public access and incidental purposes, recorded September 26, 2008 as Instrument No. 2008-0434596 of Official Records.

In Favor of: City of Victorville, a body corporate and politic of the State of California

Affects: as described therein

19. An easement for right of entry and incidental purposes as part of the Nisqualli Road widening project, recorded September 26, 2008 as Instrument No. 2008-0434597 of Official Records.

In Favor of: The City of Victorville
Affects: as described therein

The location of the easement cannot be determined from record information.

20. An easement for public utilities and incidental purposes, recorded February 02, 2010 as Instrument No. 2010-0043117 of Official Records.

In Favor of: Dalton Cablevision, Inc.
Affects: as described therein

The location of the easement cannot be determined from record information.

21. [Reserved].

22. An easement for the installation and maintenance of a natural gas pipeline or pipelines and appurtenances, together with the right of ingress and egress and incidental purposes, recorded November 30, 2022 as Instrument No. 2022-0386745 of Official Records.

In Favor of: Southwest Gas Corporation, a California corporation, its successors, assigns, licensees, and invitees
Affects: as described therein

23. [Reserved].

24. [Reserved].

25. [Reserved].

26. Rights of the public in and to that portion of the land lying within any road, street and/or highway.

27. Water rights, claims or title to water, whether or not shown by the Public Records.

28. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.

29. Rights of parties in possession.

EXHIBIT C
Fixed Rent

Fixed Rent during the Term shall be payable monthly in advance on the Commencement Date and thereafter on the first Business Day of each month. Each amount shown in the "Rent Per Year" column below shall be payable in twelve equal monthly installments:

Year	Rent Per Year*	Monthly Amount
1	$ 1,250,662.09	$ 104,221.84
2	1,297,561.92	108,130.16
3	1,346,220.49	112,185.04
4	1,396,703.76	116,391.98
5	1,449,080.15	120,756.68
6	1,503,420.66	125,285.05
7	1,559,798.93	129,983.24
8	1,618,291.39	134,857.62
9	1,678,977.32	139,914.78
10	1,741,938.97	145,161.58
11	1,807,261.68	150,605.14
12	1,875,033.99	156,252.83
13	1,945,347.76	162,112.31
14	2,018,298.31	168,191.53
15	2,093,984.49	174,498.71
16	2,172,508.91	181,042.41
17	2,253,978.00	187,831.50
18	2,338,502.17	194,875.18
19	2,426,196.00	202,183.00
20	2,517,178.35	209,764.86
21	2,611,572.54	217,631.04
22	2,709,506.51	225,792.21
23	2,811,113.00	234,259.42
24	2,916,529.74	243,044.15
25	3,025,899.61	252,158.30
26	3,139,370.84	261,614.24
27	3,257,097.25	271,424.77
28	3,379,238.40	281,603.20
29	3,505,959.84	292,163.32
30	3,637,433.33	303,119.44
31	3,773,837.08	314,486.42
32	3,915,355.97	326,279.66
33	4,062,181.82	338,515.15
34	4,214,513.64	351,209.47
35	4,372,557.90	364,379.82

36	4,536,528.82	378,044.07
37	4,706,648.65	392,220.72
38	4,883,147.97	406,929.00
39	5,066,266.02	422,188.84
40	5,256,251.00	438,020.92

*Rent is paid monthly in advance as per the lease terms. Each payment shown above shall be payable in twelve equal monthly installments, as shown in the "Monthly Amount" column.

EXHIBIT D
Reserves Schedule

1. Future Capital Replacement Reserve – $600,000 on the Commencement Date, paid by Lessor to Lessee, to be replenished by Capital Replacement Annual Deposits made by Lessee of $650.00 per unit per year, increasing by 3.75% annually, for capital replacements.

2. Lease Payment/Operating Expense Reserve – Two reserves of $240,554 each, for a total of $481,108, on the Commencement Date, paid by Lessor to Lessee, for rent payment shortfalls by sublessees or other purposes.

3. One Unit Reserve – $140,000 on the Commencement Date, paid by Lessor to Lessee, for rent payment shortfalls by sublessees or other purposes.

4. Vacancy Reserve – $41,996 on the Commencement Date, paid by Lessor to Lessee, for rent payment shortfalls as a result of unit vacancies or other purposes.

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Contract with Final Touch Construction & Design for Roof Replacement Services – Upland Offices and Unit

RECOMMENDATION(S)

1. Approve Contract No. PC1444, effective March 17, 2026, with Final Touch Construction & Design, Inc. for roof replacement services for the Upland offices and residential unit in the amount of $268,427.00.
2. Authorize and direct the Executive Director to execute and deliver Contract No. PC1444 to Final Touch Construction & Design, Inc. and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.
Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

This item is not expected to exceed an overall amount for roofing services of $268,427.00, which will be funded by the Housing Authority of the County of San Bernardino's (HACSB) property operations budgets for FYE 2026 and the replacement reserves.

BACKGROUND INFORMATION

HACSB currently contracts with various trade contractors to supplement its internal maintenance department in the ongoing maintenance and repair of its affordable housing communities and administrative facilities. HACSB operates multiple offices located within its affordable housing communities, as well as separate administrative buildings, all of which require routine and specialized maintenance services.

At this time, it is necessary to replace several aging roof structures at the Upland Affordable Housing site due to their deteriorated condition. Continued deferral of these replacements could result in water intrusion, potential damage to building interiors, disruption of administrative operations, and increased long-term repair costs. The proposed scope of work includes roof replacements for all on-site office buildings and one residential unit in order to address immediate needs, mitigate risk, and ensure the continued safe and efficient operation of the site.

PROCUREMENT

On October 6, 2025, HACSB issued an Invitation for Bid (IFB) PC1444 for Roof Replacement for Upland Offices (including maintenance garages and the gymnasium) and Residential Unit (1286 N Campus), which resulted in the receipt of five proposals. Outreach efforts included email

invitations to contractors and notifications through the agency's electronic bidding software, PlanetBids.com, to a total of 131 vendors. The proposals were evaluated per the requirements of the Invitation for Bid (IFB), in which Final Touch Construction & Design had the lowest price, considered responsive, and determined best qualified to provide this service to HACSB.

Based on the responses for these services that were solicited to an adequate number of sources and in accordance with Title 2 Code of Federal Regulations Part 200, staff recommends awarding a contract for Roof Replacement for the Upland Offices and Residential Unit to Final Touch Construction & Design, Inc.

Sealed bids were received by the deadline from the following organizations:		
Contractors Name	**Location**	**Grand Total Bid Amount**
Final Touch Construction & Design, Inc.	Fontana, CA	$268,427.00
Pineda General Construction, Inc	Nuevo, CA	$269,898.90
Chapman Coast Roof Co., Inc.	Fullerton, CA	$539,011.44
Best Contracting Services, Inc.	Gardena, CA	$599,629.00
AME Builders, Inc.	Upland, CA	$612,567.50

ITEM ATTACHMENTS

- Contract – PC 1444 Roof Replacement-Upland Offices and Unit

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

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CONTRACT FOR CONSTRUCTION
PC1444 ROOF REPLACEMENT – UPLAND OFFICES AND UNIT

THIS CONTRACT FOR CONSTRUCTION AGREEMENT PC1444 ("Agreement") is made as of the **17th** day of **March, 2026** by and between **Final Touch Construction & Design, Inc.,** ("Contractor"), and the Housing Authority of the County of San Bernardino, a public entity ("HACSB").

RECITALS

WHEREAS, HACSB is a public entity in San Bernardino County, State of California, committed to provide affordable and safe public housing for low and moderate income families; and

WHEREAS, Contractor has offered to provide certain services to HACSB, and HACSB wishes to retain Contractor for the provision of such services.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the mutual covenants contained herein, Contractor and HACSB hereby agree as follows:

ARTICLE 1. Description of Work. Contractor will furnish all work, labor, tools, equipment, materials, supervision, scheduling, coordination, and contract administration ("Work") necessary to construct and complete those certain improvements described on Exhibit "A", attached hereto and incorporated herein by reference ("Work"), which Work shall be performed in compliance with the plans and specifications described on Exhibit "A", attached hereto and incorporated herein by reference ("Description of Work"). The Work shall be performed in a good and workmanlike manner. In connection with the performance of the Work, Contractor shall comply with all of the Contract Documents (as hereinafter defined).

ARTICLE 2. Time of Completion. Contractor shall commence the Work on or after the date specified in the written Notice to Proceed issued by HACSB, and shall fully complete all Work within **45** working days after the commencement date in the Notice to Proceed including Add Alternate.

ARTICLE 3. Price. This is a firm Fixed Price Agreement as that phrase is defined in the Additional General Provisions (Exhibit "C"). The price shall not exceed **$268,427.00.** This amount is full consideration for this Agreement as written.

ARTICLE 4. Payment. Unless otherwise specified, Payment shall be made in accordance with and in the manner specified in the General Conditions.

ARTICLE 5. Contract Documents. This Agreement incorporates by reference all of the following documents (the "Contract Documents"):

1. General Conditions (form HUD 5370), attached hereto as Exhibit "B" and incorporated herein by reference.
2. Additional General Provisions, attached hereto as Exhibit "C" and incorporated herein by reference ("Additional Provisions").
3. Work Authorization and Contractor Bid Proposal, attached hereto as Exhibit "D" and incorporated herein by reference
4. Performance-Payment Bond ("Performance Bond"), attached hereto as Exhibit "E" and incorporated herein by reference.
5. Stipulation of Lien ("Stipulation of Lien"), attached hereto as Exhibit "F" and incorporated herein by reference.
6. Applicable prevailing wages determined by the Department of Industrial Relations (DIR). Information relating to wages may be found at https://www.dir.ca.gov/dlse/dlseWagesAndHours.html. Wage

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Determination attached hereto as Exhibit "G" and incorporated herein by reference.

7. All agreements, representations, warranties, covenants, and certifications of Contractor made in connection with the procurement of this Agreement, including all documents that are included in the bid package for PC1444.

8. All applicable Federal, State, and Local laws, ordinances and regulations related to this Agreement shall be incorporated herein by reference. This Agreement is funded by the U.S. Department of Housing and Urban Development and is subject to all regulations and requirements for agreements funded by HUD. Federal Regulations may be found at http://www.govinfo.gov. State of California regulations may be found at http://www.leginfo.legislature.ca.gov. For laws the County of San Bernardino, go to http://www.sblawlibrary.org.

ARTICLE 6. Best Efforts. Contractor shall perform its duties on premises approved by HACSB, during HACSB'S regular workdays and normal work hours and warrants that it shall perform its services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Contractor acknowledges that HACSB has the right to review the services performed by Contractor and may in its reasonable business discretion, reject such services in writing.

ARTICLE 7. No Conflicts. HACSB acknowledges that Contractor has other business and personal interests, separate and apart from the services contemplated by this Agreement, and nothing in this Agreement is intended to preclude Contractor from devoting time and attention to such business and personal interests. HACSB further acknowledges that Contractor has the right to accept other engagements as long as said engagements do not represent a conflict of interest with respect to the Work or the obligations of Contractor to HACSB pursuant to this Agreement. In connection with Contractor's performance of the Work hereunder, Contractor represents that there exists no actual, potential or appearance of conflict arising out of Contractor's business and financial interests.

ARTICLE 8. Limit of Engagement. This Agreement does not and shall not be construed to create any partnership or agency whatsoever beyond the purposes set forth in Article 1 hereof. Contractor shall not be deemed to be a partner, joint venture, agent or legal representative of HACSB for any purpose, nor shall Consultant have any authority or power to act for, or to undertake any obligation or responsibility, on behalf of HACSB or corporations affiliated with HACSB, other than as expressly herein provided.

ARTICLE 9. Responsibilities of HACSB. If information, data, or documentation necessary to facilitate Contractor's performance of the Work is required to be provided by HACSB, HACSB shall provide such information upon request by Contractor. Should Contractor determine that a delay in its performance has occurred, which is solely attributable to a failure of HACSB, Contractor will promptly notify HACSB in writing.

ARTICLE 10. Change Orders. HACSB shall have the right, from time to time, to make changes to the Work by change order as set forth in the Contract Documents.

10.1 **Add Alternates.** All pricing submitted in sealed bid package including any Add Alternates shall be binding.

ARTICLE 11. Return of HACSB Property. All reports, plans, designs, specifications, field data, construction documents, and other documents and instruments, including electronic files, but excluding Contractor's notes, relating to the Work shall be and remain the property of HACSB and shall be turned over to HACSB promptly upon the completion of the Work, or upon the earlier termination of this Agreement. Contractor hereby waives and assigns to HACSB all intellectual property or common law rights Contractor may develop in the Work. Contractor shall not use any trademarks owned by HACSB without HACSB's prior written authorization.

ARTICLE 12. Confidential Information. HACSB agrees to make available to Contractor information that may be needed to perform the Work. Such information may include information HACSB considers to be confidential. For purposes hereof, "Confidential Information" of HACSB means any nonpublic, proprietary information or technology

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used in HACSB's business, and any materials evidencing the same (specifically, including, without limitation, technical data or know-how relating to development plans, business plans, services, customers, markets, inventions (whether patentable or not), processes, designs, drawings, research, developments, strategies, marketing and/or financial information). Unless HACSB acknowledges that any such information provided under this Agreement is not Confidential Information, all information provided by HACSB to Contractor shall be considered to be Confidential Information. Unless approved in advance in writing or compelled to make such disclosure by a government agency, by court order, or by law, Contractor shall not disclose, transfer, distribute or allow access to any of HACSB's Confidential Information to any third parties, except those individuals employed by Contractor and who are specifically authorized by Contractor to perform the Work contemplated in this Agreement.

ARTICLE 13. Performance Bond. Contractor certifies that prior to its commencement of Work it shall provide to HACSB a written, fully executed Performance Bond, in substantially the form attached hereto as Exhibit "E" and incorporated herein by reference.

ARTICLE 14. Indemnity; Hold Harmless. Contractor agrees to defend, save, indemnify and hold harmless HACSB and all its officers, employees, and agents, against any and all liabilities, claims, judgments, or demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the performance of the Work, the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation to the extent arising through the active negligence or willful misconduct of HACSB. Contractor shall reimburse HACSB for any expenditures, including reasonable attorneys' fees, HACSB may incur arising out of any such claim or litigation, and, if requested by HACSB, Contractor shall defend any such suits at the sole cost and expense of Contractor with counsel selected by HACSB.

ARTICLE 15. Compliance with Contract Documents. Contractor shall comply with all of the Contract Documents in connection with the performance of the Work hereunder. In the event of any conflict between this Agreement and the Contract Documents, the Contract Documents shall control.

ARTICLE 16. Warranty/Guarantee.

a. Contractor warrants and guarantees that any work and/or materials supplied or installed in Contractor's performance of all contracts awarded and executed under this Agreement for HACSB will be done in accordance with the Plans and Specifications and that the Work, as installed, will fulfill the requirements of the Specifications. Contractor agrees to repair or replace any or all of its Work, together with any adjacent Work which may be displaced by so doing, that may prove to be defective in its workmanship or material within a period of two (2) years from the date of completion of the Project, except for ordinary wear and tear, unusual abuse or neglect on the part of HACSB.

b. Contractor's warranty in no way supersedes any manufacturer's warranty or guarantee for any equipment or material supplied, or process used in the installation. The full effect of all manufacturers' warranties voided by improper installation or process will be guaranteed by Contractor for the full life of the manufacturer's warranty.

c. In the event of Contractor's failure to comply with the conditions of this Article within a reasonable period of time as determined by HACSB and after being notified in writing, Contractor hereby authorizes HACSB to proceed to have said defect repaired and made good at Contractor's expense and will honor and pay the costs and charges therefore upon demand.

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ARTICLE 17. Superintendence by Contractor. Contractor shall give his personal superintendence to the Work or have a competent superintendent, satisfactory to HACSB and/or the Architect, if any, on the Project at all times during progress with full authority to act for him.

ARTICLE 18. Accident Prevention. Contractor shall exercise proper precaution at all times for the protection of persons and property. The safety provisions of applicable law, building and construction codes shall be observed, and Contractor shall take or cause to be taken such additional safety and health measures as HACSB may determine to be reasonably necessary. Machinery, equipment and all hazards shall be guarded in accordance with the safety provisions of the State of California Construction Safety Orders (CCR Title 8, Division 1, Chapter 4, Subchapter 4, as amended) and the "Manual of Accident Prevention in Construction", published by the Associated General Contractors of America, to the extent that such provisions are not in contravention of applicable laws.

ARTICLE 19. Removal of Debris, Cleaning. Contractor shall, daily or as directed during the progress of the Work on the Project, remove and properly dispose of the resultant trash, dirt and debris, and keep the premises reasonably clear.

ARTICLE 20. Designation of Subcontractors.

a. In compliance with the Subletting and Subcontracting Fair Practices Act (Sections 4100 et seq. of the Public Contract Code of the State of California) and any amendments thereof, each bidder shall set forth: (a) the name, the location of the place of business, the California contractor license number, and public works contractor registration number issued pursuant to California Labor Code section 1725.5 of each subcontractor who will perform work or labor or render service to Contractor in or about the construction of the Project under this Agreement or a subcontractor licensed by the State of California who, under subcontract to Contractor, specially fabricates and installs a portion of the Project according to the Plans and Specifications in an amount in excess of one-half of one percent of Contractor's total bid, and (b) the portion of the Work which will be done by each subcontractor.

b. If Contractor fails to specify a subcontractor or if Contractor specifies more than one subcontractor for the same portion of the Work performed for the Project in excess of one-half of one percent of Contractor's total bid, he shall be deemed to have agreed that he is fully qualified to perform that portion himself, and that he shall perform that portion himself.

c. Contractor shall not: (a) substitute any subcontractor, (b) permit any subcontract to be voluntarily assigned or transferred or allow it to be performed by anyone other than the original subcontractor listed in the original bid, or (c) sublet or subcontract any portion of the Work on the Project in excess of one-half of one percent of Contractor's total bid as to which the original bid did not designate a subcontractor, except as authorized by HACSB.

d. Subletting or subcontracting of any portion of the Work on the Project in excess of one-half of one percent of Contractor's total bid as to which no subcontractor has been designated in the original bid shall only be permitted in cases of public record of HACSB wherein HACSB has set forth the facts constituting the emergency or necessity.

ARTICLE 21. Stipulation of Lien. Contractor certifies that all Work executed under this Agreement will be performed in accordance with the Agreement terms and there will be no claims of laborers or mechanics for unpaid wages arising out of the performance of said Agreement. In consideration of the payment under the terms of the

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Agreement, Contractor hereby does release HACSB from any and all claims arising from any contract awarded by this process. Contractor shall prepare and submit to HACSB, a written Stipulation of Lien, in substantially the form attached hereto as Exhibit "F" and incorporated herein by reference. The Stipulation of Lien shall be recorded in the County Recorder's Office of San Bernardino County, California.

ARTICLE 22. Assignment. Neither the Agreement, nor any part thereof, nor moneys due or to become due there under may be assigned by Contractor without the prior written approval of HACSB.

ARTICLE 23. Rights and Remedies of HACSB for Default.

In the event any goods furnished or services provided by Contractor in the performance of the Work should fail to conform to the requirements herein, or to the sample submitted by Contractor, HACSB may reject the same, and it shall become the duty of Contractor to reclaim and remove the item promptly or to correct the performance of services, without expense to HACSB, and immediately replace all such rejected items with others conforming to the Agreement.

a. In addition to any other rights and remedies HACSB may have, HACSB may require Contractor, at Contractor's expense, to ship goods via air freight or expedited routing to avoid or minimize actual or potential delay if the delay is the fault of Contractor.

b. In the event of the termination of the Agreement, either in whole or in part, by reason of default or breach by Contractor, any loss or damage sustained by HACSB in procuring any items which Contractor agreed to supply shall be borne and paid for by Contractor.

c. HACSB reserves the right to offset the reasonable cost of all damages caused to HACSB against any outstanding invoices or amounts owed to Contractor or to make a claim against Contractor therefore.

ARTICLE 24. Termination. In addition to the rights of Termination for Convenience of HACSB and Termination for Default set forth in the Contract Documents, HACSB may terminate this Agreement if Contractor should file a bankruptcy petition and/or be adjudged a bankrupt, or if Contractor should make a general assignment for the benefit of creditors, or if a receiver should be appointed on account of insolvency. HACSB may serve written notice upon Contractor of its intention to terminate the Agreement. The notice shall contain the reasons for such intention to terminate the Agreement, and, unless within ten (10) days after serving such notice, such violation shall cease and satisfactory arrangements for correction thereof be made, upon the expiration of the ten (10) days, the Agreement shall cease and terminate. In the event of any such termination, HACSB shall serve written notice thereof upon any surety and Contractor, and any such surety shall have the right to take over and perform Contractor's obligations pursuant to this Agreement; provided, however, that if such surety does not provide HACSB written notice of its intention to take over and perform the Work required under this Agreement within fifteen (15) days after receiving such written notice, or such surety does not commence performance thereof within thirty (30) days after providing such written notice to HACSB, HACSB shall have the right to perform all uncompleted portions of the Work and to prosecute the same to completion by contract or by any other method it deems advisable, for the account and at the expense of Contractor, and Contractor and its surety shall be liable to HACSB for any excess costs occasioned HACSB thereby and, in such event, HACSB may, without liability for doing so, take possession of and utilize in completing the Work, such materials, appliances, and other property belonging to Contractor as may be on the site of the Work and necessary for the performance of the Work.

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ARTICLE 25. Notices. All notices required pursuant to this Agreement shall be communicated in writing, and shall be delivered in person, by commercial courier providing proof of delivery, or by certified mail, return receipt requested. ***All notices sent pursuant to this Agreement shall be addressed as follows:***

If to HACSB:

Angie Lardapide, Procurement Department
Housing Authority of the County of San Bernardino
715 E. Brier Drive
San Bernardino, CA 92408-2841
alardapide@hacsb.com

If to Contractor:

Luis Echeverria, President
Final Touch Construction & Design, Inc.
14860 Arrow Blvd.
Fontana, CA 92335
luis@finaltouchconstruction.net

Notices will be deemed effective upon receipt.

ARTICLE 26. Complete Agreement. This written Agreement is the final, complete and exclusive statement and expression of the agreement between HACSB and Contractor and of all the terms of this Agreement and cannot be varied, contradicted, nor supplemented by evidence of any prior or contemporaneous oral or written agreements.

ARTICLE 27. Applicable Law/Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of California, with proper venue for any litigation in San Bernardino County, California.

ARTICLE 28. Severability; Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of this Agreement or of any part hereof.

ARTICLE 29. Interpretation. Should any provision of this Agreement require interpretation, it is agreed that the person or persons interpreting or construing the same shall not apply a presumption that the terms of this Agreement shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or counsel prepared the same or caused the same to be prepared; it being agreed that the agents and counsel of all of the parties have participated equally in the negotiation and preparation of this Agreement. The language in all parts of this Agreement shall be in all cases construed simply, fairly, equitably and reasonably, according to its plain meaning and not strictly for or against any of the parties.

ARTICLE 30. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement. The parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

ARTICLE 31. Licensed Contractor. Contractor represents and warrants that it is a licensed contractor in good standing with the California Contractors State License Board.

[END – SIGNATURES ON NEXT PAGE]

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IN WITNESS WHEREOF, HACSB and Contractor have entered into this Agreement as of the Effective Date: _____

Vendor

Signed by:
By: Luis Echeverria
F9E0909CF2664FB...
(Affix seal if a corporation)
Name: Luis Echeverria
Its: President

CERTIFICATE OF CORPORATE AUTHORITY

I, Luis Echeverria certify that I am the President of the corporation named as Contractor herein; that Luis Echeverria who signed this Agreement on behalf of Contractor, was then President of said corporation; that said Contract was duly signed for and in behalf of said corporation and its governing body and is within the scope of its corporate powers.

Signed by:
By: Luis Echeverria
F9E0909CF2664FB...
Name: Luis Echeverria
Its: President
Date: 3/4/2026

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____
Name: Maria Razo
Its: Executive Director

Date: _____

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EXHIBIT “A”

DESCRIPTION OF WORK

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HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

SCOPE OF WORK

PC1444 ROOF REPLACEMENT – UPLAND OFFICES AND UNIT

Jesus Medina
July 18, 2025

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

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1 PROJECT INFORMATION

PROJECT NAME	PC1444 ROOF REPLACEMENT – UPLAND OFFICES AND UNIT
OWNER	Housing Authority of the County of San Bernardino
PROJECT SITE	**1200 N Campus Ave, Upland, CA** (Office, Gym & Shop). **1226 N Campus, Upland, CA** (Office) **1286 N Campus, Upland, CA** (Single Unit Complex)
CONTACT INFORMATION	CLAUDIA NUNEZ PROCUREMENT OFFICER cnunez@hacsb.com 909-332-6341
PROJECT DESCRIPTION	Replace Roof: Complete roof replacement including removal of existing materials, installation of new roofing, blown-in insulation, venting, flashing, and plywood replacement (as needed). Work also includes installing fall protection anchors, satellite docks, gutters, downspouts, and splash blocks. All work must meet current California Building Codes and safety regulations.

2 PROJECT OVERVIEW

The Housing Authority of the County of San Bernardino (HACSB) is seeking a qualified, licensed roofing contractor to perform complete roof replacement and insulation upgrades at five buildings within the Los Olivos complex in Upland, CA. One of the buildings will require the installation of a **fiberglass-reinforced asphalt emulsion roofing system**, while the others will include a combination of flat and pitched roofing assemblies. GYM Apply fluid-applied silicone coating roofing system (ASTM D6694 compliant).

Originally built in the 1950s, these structures require significant improvements to comply with current **California Building Code, Title 24 Energy Standards, and CAL/OSHA safety and fall protection requirements**. The scope includes tear-off and replacement of roofing systems, attic and foam insulation installation, permanent fall protection anchors, and maintaining architectural continuity through seamless exterior finishes.

2.1 CALIFORNIA PUBLIC WORKS PROJECT

- Contractors must be registered with the Department of Industrial Regulation (D.I.R.) prior to submitting a bid. https://www.dir.ca.gov/Public-Works/Contractors.html.
- This public works project is funded by (HACSB) which will require the use of California Prevailing Wages, Apprenticeship Requirements, and Certified Payroll Records. https://www.dir.ca.gov/Public-Works/PublicWorks.html

2.2 CALIFORNIA CONTRACTORS LICENSE REQUIREMENTS

Contractors are required pursuant to California Business and Professions Code 7028.15 to hold a valid State Contractor's License as classified in Public Contract Code Section 3300 at the time the contract is awarded. Contractor shall conform to California Business and Professions Code 7059 for Specialty Contractor's Licensing Provisions. Contractor must possess the following classification(s) of contractor's license: **C-39 Roofing Contractor**

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2.3 PROJECT SCOPE

Contractor shall provide all labor, materials, equipment, and supervision necessary to complete the roofing replacement project for four (4) buildings. All work must comply with the most current City of Upland building codes and meet today's standards. The scope of work shall include, but is not limited to:

Office Building #1 (1200 N Campus Ave):

- Removal and replacement of all asphalt composition shingle roofing on two (2) small, sloped roof portions.
- Application of fluid-applied silicone coating roofing system (ASTM D6694 compliant) on flat roof areas.

Office Building #2 (1226 N Campus Ave):

- Removal and replacement of all asphalt composition shingle roofing.
- Application of fluid-applied silicone coating roofing system (ASTM D6694 compliant) on two (2) flat roof areas where HVAC units are located.

Shop & Food Bank (Attached to 1200 N Campus Ave):

- Removal and replacement of all asphalt composition shingle roofing.
- (No new insulation required in these buildings.)

Gymnasium (Add Alternate):

- Application of fluid-applied silicone coating roofing system (ASTM D6694 compliant) over entire roof area.

Tenant Residential Unit (1286 N Campus Ave):

- Removal and replacement of all asphalt composition shingle roofing.
- Installation of new blown-in attic insulation to meet California Title 24 energy efficiency standards.

General Work for All Buildings:

- Repair and replacement of damaged roof decking as required to meet current code.
- Repair and replacement of fascia as needed using similar wood product.
- Installation of new venting using low-profile O'Hagin-style roof vents.
- Replacement of flashing, roof jacks, and roof penetrations as necessary.
- Installation of new rain gutters with debris screens, downspouts, and splash guards.
- Installation of satellite docks and ladder docks as required.
- Installation of permanent fall protection anchors in compliance with OSHA and Cal/OSHA standards.
- Contractor shall protect existing mechanical venting during the tear off operations. This includes all heater/water vent pipes. Contractor shall verify that the venting is still connected below the roof line immediately after the tear-off and after the flashing /roofing operations.
- Daily clean-up of the work area to ensure safety for residents and staff.
- Provision of a 25-year manufacturer's limited warranty upon project completion.

2.4 QUANTITIES

Approximate quantities are listed in the table below. Note: all measurements are approximate. Contractor must supply their own field measurements, Request a Bid Price Sheet and Construction Plans.

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Roofing Applications by Building

Building Name	Item	Approx Roof Area
Office Building #1 (1200 N Campus)	Brava Roof Tile, Spanish Barrel Tile, Aged Mission Color or Equals	350 sq. ft.
1200 N campus (front)	Venting	3
Flat Roof Area (Offices, 1200 N Campus)	Fiberglass reinforced asphalt emulsion system	10,700 sq. ft.
Office 1200 N Campus Roof deck Insulation	1-1/2" poly-iso above roof deck.	10,700 sq ft
Shop & Food Bank Area	Asphalt Shingles (Timberline) Or Equal	2,800 sq. ft.
Office Building #2 (1226 N Campus)	Asphalt Shingles	3,600 sq. ft.
Shops	Venting	16
1226 Campus	Insulation	3000
1226 Campus	Venting	16
Tenant Residential Unit (1286 N Campus)	Asphalt Shingles	1,900 sq. ft.
1286 N Campus	Blowdown Insulation	1600
All Buildings	Rain gutters with screen all around building	870 lft
All Buildings	Downspouts with splashguards	18
All Buildings	Fall Protection Dock	1 Each Building (4)
All Buildings	Satellite Mount-	5
All Buildings	Fall Protection Anchors	20
All Building	Fascia Repair	5%
All Buildings	Splash guards	8
Add Alternate #1: GYM	Apply fluid-applied silicone coating roofing system (ASTM D6694 compliant).	3468 sq. ft.

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2.5 EXCLUSIONS

The following trades are NOT part of this contract:
Electrical Work
Environmental Abatement (asbestos, lead, mold/mildew).
Exterior Painting (other than roofing materials)
HVAC removal & installation, curbs, plenums.
Roof ladder & guardrail installation

3 SCHEDULE

Tentative Project Start: 3/30/2026
Tentative Project End: 5/15/2026

The schedule will be established during the pre-construction meeting and initiated through a Notice to Proceed letter.

3.1 PROPOSED SCHEDULE

The contractor shall submit a proposed work schedule detailing work location, work to be performed & approximate work duration. Exact dates are NOT needed at this stage.

3.2 CONSTRUCTION SCHEDULE

The contractor shall submit final construction schedule detailing work location (building), work to be performed, work duration and EXACT dates at the preconstruction meeting.

3.3 LIQUIDATED DAMAGES

Liquidated damages in the amount of $250 per day will be assessed if work is not completed within 45 calendar days from notice to proceed.

4 TASKS

Contractor shall supply all labor, materials, equipment, disposal, transportation, and any other items necessary to provide a complete roof system replacement. Specific tasks required by this project are listed below. Tasks are listed in the approximate order of construction, but site conditions and contractor's expertise shall determine the exact sequence of construction operations. Work must conform to the highest industry standards and must follow all local, state and federal codes. Contractor is responsible for any/all permits and/or fees required to furnish a Notice of Completion from the City of San Bernardino. City of Upland - Building & Safety (sbcity.org)
For materials specifications, See Section 8.1 Materials Specifications
For specific workmanship standards, See Section 8.2 Workmanship Specifications

4.1 FALL PROTECTION

Contractor to provide site-specific fall protection plan at pre-construction meeting. Contractor will install temporary fall protection anchor points per the site-specific fall protection plan prior to starting demolition work. Temporary fall protection anchors will remain in place for the duration of the work and shall be removed only when the permanent anchors are ready for use. Contractor shall install blocking below roof deck, install (4) "post" type fall protection anchors per manufacturer's specifications. Anchors must be completely flashed and installed to be permanently waterproof. See ***Attachments #8-#10***
See Materials Specifications Section 8.1.4 – Fall Protection Anchor Specifications

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4.2 COMPLETE ROOF TEAR-OFF

The existing roofing material will be sampled for asbestos. If there is asbestos-containing material (ACM) it will be abated under a separate contractor.

This project will consist of a full tear-off and re-roof of all buildings on the site. Contractors will be required to strip off all existing layers of shingles, hot tar, flashing metals, sealants and recycle construction debris per local municipal code.

Job site will be completely cleaned at the end of each day, so no imminent hazards exist, including, but not limited to construction debris, fasteners, insulation, nails, roofing materials, wood, etc.
Contractor shall sweep soils **daily** with magnetic pick up to remove roofing nails from soil.
* *Contractor shall coordinate with project manager to re- install the new coolers as soon as possible after roof installation to minimize resident disruption. Each unit must be fully tested and operational*

All structures are to be water-tight each night before leaving the job site. Damage caused as a result of water, snow, ice or blowing objects, will be repaired or replaced at contractors' expense. Damage is not limited to structure damage but also includes personal property damage inside and outside of unit.

4.3 REPAIR WOOD FASCIA

Contractor to repair fascia as needed *and* sealed so we can prevent water going into the structure (9.5") Section 8.1.6 Materials.

4.4 FURNISH AND INSTALL ADDITIONAL INSULATION

Contractor shall furnish & install additional attic and/or roof deck insulation to bring the entire installation up to R-38. Estimated insulation quantities are listed in Section 2.4. Contractor shall determine the scheduling & sequence of insulation work based on roof tear-off and re-roof. Add paper tape measurements in the attic for visual inspection.

4.5 ROOF DECK INSULATION & SHEATHING

Contractor shall furnish and install 2" thickness of polyisocyanurate roof deck insulation over the sheathing. Estimated insulation quantities are listed in Section 2.4. Contractor shall determine the scheduling & sequence of insulation work based on roof tear-off and re-roof. Note: some roof systems require the poly-iso to be covered with an additional layer of gypsum sheathing to achieve fire rating or impact resistance. Contractor shall include this additional material in the price.
Install 4 ft wide section of tapered insulation (1/4" per foot slope) at roof/wall intersections to prevent standing water at edges of roof. See Materials Specification section.

4.6 FLASHINGS

Supply and install sheet metal flashings for all existing roof penetrations. There will be at least 12 additional posts installed along the edge of the roof for a new handrail system. Install "kick-out" flashing where roof/wall intersections drain into gutters. Install additional "reglet" flashing on perimeter walls above existing Z-Bar flashing (due to the increased thickness of the rigid insulation on the roof deck).
See Workmanship Specification section.

4.7 HVAC CURBS

HVAC contractor will remove the existing package air conditioners at tear-off stage. Roofing Contractor shall extend curbs up an additional 3-1/2" to allow for the roof deck insulation. Roofing

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contractor shall install slope insulation around curbs and run flashing up to top edge of the curb. HVAC contractor shall install new air conditioning equipment after roof work.

4.8 REPLACE DAMAGED SHEATHING

Contractor is to examine all sheathing and replace any damaged sheathing prior to applying underlayment and drip edge. Estimated sheathing replacement quantities are listed in Section 2.4. These are minimum quantities estimated based on previous roofing projects and may not be sufficient for actual construction work. If additional work is necessary, contractor shall submit written estimate prior to commencing extra work. If this work is not needed it will be deducted from the contract price.

4.9 FURNISH AND INSTALL DRIP EDGE AND UNDERLAYMENT

Contractor to furnish & install all new drip edge metal, self-adhesive leak barrier, and underlayment.

All roof edges, valleys, and projections larger than 12" x 12" shall receive leak barrier treatment.

See Section 8.2.9 Roofing Workmanship

4.10 FURNISH AND INSTALL ATTIC VENTING SYSTEM

Furnish & install new attic ventilation system per plans (Ohagins low profile Venting). ***See ATTACHMENTS# 11-13*** – ATTIC VENT PLANS PER BUILDING. Estimated attic ventilation quantities are listed in Section 2.4. Contractor shall field verify quantity and locations of existing roof ventilation openings. If any changes are proposed to the quantity of attic vents, they must be indicated on the bid form. No adjustments for extra venting shall be allowed after bid submittals.

See Section 8.1.1 Materials Specifications - Attic Ventilation

4.11 FURNISH AND INSTALL DISH MOUNT SYSTEM

Contractor to furnish and install satellite dish mounting system for all 2 rental units. Satellite mounting box shall be mounted on the south facing roof above the eaves. Contractor shall install 1" PVC electrical conduit from below the eaves and extend through the roof, terminating in the satellite mounting box. – SATELLITE MOUNT SPECIFICATIONS ***See Attachment #7***

4.12 FURNISH AND INSTALL ASPHALT COMPOSITION SHINGLES

The roof system shall be designed and installed per manufacturer's recommended procedure to comply with manufacturer's 25-year warranty.

See Section 8.11.1 Asphalt Composition Shingle Specifications
and Section 8.1 Roofing Workmanship

4.13 FLAT ROOF SYSTEM

Supply and install flat roofing system using fiber reinforced asphalt emulsion. Roof membrane shall run up curbs and walls at least 4". See Materials Specifications Section 8.1.12 and ***Attachment #14***

4.14 INSTALL NEW RAIN GUTTERS

The Contractor shall install new factory-finished gutters along the edge of the building in accordance with the specifications outlined in the blueprints. All newly installed metal components shall be primed and painted, with the final color to be assigned during the pre-construction meeting. Downspouts with splashguards shall also be installed as part of the gutter system. A total of 18 downspouts.

FINAL CLEAN-UP

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Job site will be completely cleaned at the end of construction, so no imminent hazards exist, including, but not limited to construction debris, fasteners, insulation, nails, roofing materials, wood, etc.

5 PROJECT REQUIREMENTS

5.1 CONTRACTOR RESPONSIBILITIES

5.1.1 GENERAL CONDITIONS

Contractor is responsible to secure any/all required permits required by local authorities and ordinances. The Contractor shall coordinate the work for each area with HACSB 2 weeks prior to start. A jobsite foreman is required to be present on site every day and have the authority to conduct business without delay to the construction project. It is the responsibility of the contactor to verify all dimensions and quantities to meet the intent of the plans, scope of work and specifications. Installation of Contractor's material constitutes acceptance of all adjacent work as being qualified to accept the new material.

Contractor and subcontractors are to protect adjacent materials at all times. Damage to adjacent material will be the responsibility of the contractor causing damage to repair at no additional cost to HACSB. The Contractor shall pick up all debris (including nails, scrap lumber, concrete forms, spikes…) continuously throughout each workday. Storage or sale of removed items or materials on-site will not be permitted. Clean adjacent buildings and improvements of dust, dirt and debris caused by construction operations. Return adjacent areas to condition existing before start of construction. Entire construction site will be kept safe from public access at all times. Adequate barriers will be furnished and installed by the contractor as to provide public safety at all times, as well as work site safety at all times.

Contractor shall limit hours of operation to Monday through Friday during the hours of 8:00 a.m. to 5:00 p.m. Special hours of operation outside the normal hours must be approved by the Authority.

Contractor shall keep accurate records of changes to the work, such as locations, dimensions and product specifications. These should be documented on the working hardcopy of the plans (as-built). If the Working Hardcopy Drawings are properly maintained during construction, when project construction is complete, the As-built Drawings should be near completion.

5.1.2 PROJECT CONDITIONS

This contract is for construction work in and around occupied units. Contractor and all employees will present themselves and their staff in a professional manner at all times on site. Residents and HACSB staff will be treated with respect and courtesy at all times. Contractors and employees must wear a uniform shirt clearly identifying the company. No smoking on HACSB property per current HACSB lease agreements.

If a contractor's employee is not in compliance with the terms of this agreement, or is disrespectful to residents or HACSB Staff, the employee will be asked to leave the worksite immediately.

HACSB will provide a contractor key at the start of construction. Key must be returned on or before the contract end date. Liquidated damages will be assessed for each additional day the contractor is in possession of the key. See Section 6.1.2 CONTINGENCY.

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5.1.3 RESIDENT PERSONAL PROPERTY

Residents' personal property must be protected at all times. Contractor shall cover any items in the immediate vicinity with tarps/plastic to prevent dust/overspray from damaging property.

5.1.4 POLLUTION CONTROLS

Use water mist, temporary enclosures, and other suitable methods to limit the spread of dust and dirt. Comply with governing environmental protection regulations. Do not create hazardous or objectionable conditions, such as ice, flooding, and pollution, when using water. No water runoff from site into curb/gutters. Remove and transport debris in a manner that will prevent spillage on adjacent surfaces and areas.

5.1.5 SUBMITTALS

5.1.5.1 SUBMIT WITH BID PACKAGE

Material specifications or technical bulletins certifying that each material item complies with or exceeds specified requirements.
Rough construction schedule with location (building) start/end dates of major tasks.

5.1.5.2 AT PRE-CONSTRUCTION MEETING

Revised detailed construction schedule detailing work to be performed, work duration & start/end dates.
Contact list with assigned foreman & all subcontractors.
Materials specifications
Schedule of values (HUD 51000)

5.1.5.3 SUBMIT PRIOR TOR START

Materials samples for color approvals:
Asphalt Shingles, Membrane Cap Sheet, Edge Metal, Attic Ventilation, manufacturer's touch up paint, Gutters, downspouts and splash guard and any other factory finished products.

5.1.5.4 SUBMIT WITH FINAL INVOICE

As-Built Plans (location of fall protection anchors)
Completed permit card.

25-Year manufacturer's warranty for asphalt shingle system
10-Year manufacturer's warranty for membrane roofing system

5.2 HACSB RESPONSIBILITIES

5.2.1 PROJECT CONDITIONS

Conditions existing at time of inspection for bidding purposes will be maintained by HACSB as far as practical.

5.2.2 NOTIFICATIONS

HACSB will notify adjacent residents in advance of the project based on Contractor's project schedule. Notification will include language to require removal of all personal property in any areas affected by construction operations.

5.2.3 ACCESS TO UNIT

If access is needed to a resident unit, Contractor shall notify HACSB at least 72 hours prior to entry to allow enough time to prepare and post the entry notice.

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5.3 MUTUAL RESPONSIBILITIES

5.3.1 SCHEDULING

Contractor shall submit detailed work schedule detailing work location, work to be performed & work duration at the pre-construction meeting. HACSB will coordinate proposed work schedule(s) with other trades working at the site to ensure multiple trades are not working in the same location concurrently.

5.3.2 INSPECTIONS

Contractor must notify HACSB to allow inspection prior to covering any work. If HACSB is not available or not available within a reasonable time, it shall be the Contractor's responsibility to take photographs and furnish proof that the repairs were performed and completed properly. HACSB inspections do not replace any inspections required by the local Building Department.

6 PROJECT RISKS

6.1 RESIDENT OCCUPANCY STANDARDS

This is an occupied 2-unit Apartment complex and 2 Offices with a food bank unit. Tenants and workers have entered into a binding contract with HACSB to have a fully functioning and safe facility including all utilities.

6.1.1 RISK

HACSB is at financial risk if contractor does not complete repairs on schedule. A dwelling unit must have hot & cold running water, functioning restroom & kitchen facilities, and conditioned space (heat/cool) to be approved for continued occupancy. If the contractor's work progress as a result of this project results in any utilities (water, gas, electrical) being inoperative by the end of the scheduled workday, or any unsecured opening in the walls or roof, this renders the unit below the HUD Housing Quality Standards (HQS). HACSB must provide alternate living arrangements (hotel) for the duration of the interruption.

6.1.2 CONTINGENCY

If contractor fails to return the unit to HUD HQS condition by the end of the scheduled workday, contractor will be assessed per diem charges for each night residents are displaced. Per diems are calculated per authorized resident based on the HUD HQS Standard for family size and occupancy. Current per diem rates are $111.00 per night for lodging and $68.00 per day for meals for each resident displaced. (Source: 2025 California, San Bernardino County Rates. FY 2025 Per Diem Rates for California | GSA , https://www.federalpay.org)

7 CONTRACT COMPLIANCE

7.1 COMMUNICATIONS PLAN

A pre-construction meeting will be held at the jobsite prior to the start date.
Contractor shall provide accurate construction schedule at the time of pre-construction meeting.
A contact list with email and mobile phone numbers of key personnel will be disseminated to both parties prior to the start date.
Contractor shall monitor & update the construction schedule weekly.
All communication between HACSB and Contractor shall be in writing.
Text messaging (SMS, MMS) are not valid or binding for change orders, notices, requests for information and other legal communication.

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7.2 QUALITY MANAGEMENT PLAN

Quality shall be managed by a 5-part plan: Qualifications, Planning, Inspections, Corrections and Warranty.

7.2.1 QUALIFICATIONS

Installers shall have at least 2 years' experience with installation of the specific assembly or products under similar conditions. Installation shall be in accordance with manufacturer's installation guidelines and recommendations.

Source Limitations: Provide and install assemblies of materials and accessories produced by a single manufacturer.

7.2.2 PLANNING

Hold a pre-installation conference, two weeks prior to start of installation. Attendees shall include Contractor, Sub-Contractors, HACSB Project Coordinator.

Review all related project requirements and submittals, status of substrate work and preparation, areas of potential conflict and interface, availability of construction materials and components, installer's training requirements, equipment, facilities and scaffolding, and coordinate methods, procedures and sequencing requirements for full and proper installation, integration and protection. Additional meetings may be required based on project complexity.

7.2.3 INSPECTIONS

7.2.3.1 INSPECTIONS BY HACSB

HACSB may inspect work while installation in progress to verify proper materials are installed and the proper installation of materials. HACSB will inspect all repairs and overall conditions upon completion, including proper finishes of wall and ceiling materials.

HACSB shall give written notice of rejection of goods delivered or services performed here under within a reasonable time after receipt of such goods or performance of such services. Such notice of rejection will state the respect in which the goods do not substantially conform to their specifications.

7.2.3.2 INSPECTIONS BY LOCAL BUILDING AGENCY

The contractor is responsible to secure any/all required permits required by local authorities and ordinances.

Contractor to schedule inspections prior to covering work.

Contractor to submit final inspection cards and/or other permit documents to HACSB upon completion and prior to final payment request.

7.2.4 CORRECTIONS

In the event any goods furnished, or services provided by Contractor in the performance of the Work should fail to conform to the requirements herein, or to the sample submitted by Contractor, HACSB may reject the same, and it shall become the duty of Contractor to reclaim and remove the item promptly or to correct the performance of services, without expense to HACSB, and immediately replace all such rejected items with others conforming to the Agreement.

It is the responsibility of each contractor to protect their work from damage until such time that HACSB has accepted such work in writing.

All defects/damage will be repaired by contractor at the expense of the contractor prior to final acceptance. During this time if the unit fails to meet HQS standards, contractor is responsible for relocation of resident per Section 6.1 "Resident Occupancy Standards"

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7.2.5 WARRANTY

A 25-year shingle manufacturer's limited warranty card must be furnished upon completion. Warranty will include full product replacement and labor at no cost to HACSB.

A 10-year warranty on all workmanship and roof manufacturer's limited warranty card must be furnished upon completion. Warranty will include full product replacement and labor at no cost to the Housing Authority of the County of San Bernardino.

There will be a **5-year warranty on all workmanship**. Contractor agrees to repair or replace any or all of its Work, together with any adjacent Work which may be displaced by so doing, that may prove to be defective in its workmanship or material within a period of five (5) years from the date of completion of the Project, except for ordinary wear and tear, unusual abuse or neglect on the part of HACSB.

Contractor warrants and guarantees that any work and/or materials supplied or installed in Contractor's performance of all contracts awarded and executed under this Agreement for HACSB will be done in accordance with the Plans and Specifications and that the Work, as installed, will fulfill the requirements of the Specifications.
Contractor's warranty in no way supersedes any manufacturer's warranty or guarantee for any equipment or material supplied, or process used in the installation.
The full effect of all manufacturers' warranties voided by improper installation or process will be guaranteed by Contractor for the full life of the manufacturer's warranty.
In the event of Contractor's failure to comply with the conditions of this Article within a reasonable period of time as determined by HACSB and after being notified in writing, Contractor hereby authorizes HACSB to proceed to have said defect repaired and made good at Contractor's expense and will honor and pay the costs and charges therefore upon demand.
All warranties begin on the date of completion, documented by written acceptance of material and workmanship by HACSB.

Contractor must respond within 24 hours to emergency warranty requests (water entering the building, or any other condition likely to cause property damage or physical injury to persons) during the 5-year workmanship period.

8 STANDARDS COMPLIANCE

All work performed shall be in strict compliance with all plans and specifications for the project. This section includes: Materials Specifications, Workmanship specifications, and Governmental Regulations.

8.1 MATERIALS SPECIFICATIONS

Pursuant to California Public Contract Code Section 3400, HACSB does not specify a designated material, product, or service by specific brand or trade name unless the specification is followed by the words "or equal" so that Contractor may furnish any equal material, product, or service.
According to the exceptions allowed under PCC §3400 (c) (2), some products are specified as "NO SUBSTITUTIONS" in order to match other products in use either completed or in the course of completion.
All other products are subject to substitution by the contractor, and the alternate materials proposed by the contractor must be submitted and approved.

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Changes to material specifications during the construction phase must be submitted and approved in writing by HACSB prior to installation of any materials

8.1.1 ATTIC VENTILATION PRODUCT SPECIFICATION

O'Hagin Standard Low-Profile Vent for use with asphalt shingles.
Factory painted to match roofing color. Products - O'Hagin (ohagin.com)

8.1.2 CAULKING/SEALANT PRODUCTS

NO SILICONE CAULKING WILL BE PERMITTED ON THE JOBSITE due to adhesion failure of subsequent materials (other sealants, paint, stucco, etc.). Sealants must be low VOC and must be approved for use by manufacturer of the product(s) to which it is being applied.

8.1.3 EDGE METAL SPECIFICATIONS

Drip edges shall conform to ASTM A361; ASTM B209, ASTM B370; sheet metal flashing to meet shingle manufacturer's requirements. Shall meet or exceed local building code requirements. Drip edge must be factory coated to match the fascia color. Colors must be approved by HACSB prior to ordering materials.

8.1.3.1 FLAT ROOF APPLICATIONS

Drip edge metals shall be minimum 2" on the exposed flange X 4" on the roof flange to allow sufficient adhesive contact area. Shall be approved by the roofing product manufacturer. Must be galvanized or factory painted.

8.1.3.2 SLOPED ROOF APPLICATIONS

Drip edge metals shall be minimum 2" by 2" and must be factory painted to match the roofing color.

8.1.4 FALL PROTECTION ANCHOR SPECIFICATIONS

Permanent roof anchors must be constructed of heavy-duty stainless steel, must meet minimum 5000-pound anchor point break strength. Must meet or exceed OSHA 1910, OSHA 1926, ANSI Z360. Suggested Products for ridge location installations: See Attachment #9

8.1.5 FASTENER SPECIFICATIONS

Bolts, Nails and Screws shall be rust-resistant.

8.1.5.1 FRAMING NAILS

Corrosion resistant, hot-dipped galvanized, minimum 8 to 10 gauge.

8.1.5.2 FRAMING SCREWS

#6 to #10 gauge, self-drilling screws with electroplated corrosion resistant coating. Must withstand 1000 hour salt spray test per ASTM B117. Grabber Construction Products #230X Bugle Head "GRABBER"

8.1.5.3 ROOFING NAILS

Standard round wire type roofing nails, corrosion resistant (aluminum, hot dipped zinc coated steel): Normal 3/8" head diameter, minimum 11- or 12-gauge shank diameter. Shank to be of sufficient length to penetrate ¾" into solid wood, plywood, or non-veneer wood decking or 1/8" through the thickness of the decking. Not to breakthrough to be visible under eaves.

8.1.5.4 ROOFING STAPLES

Staples may be used if approved by roofing manufacturer. Must be corrosion resistant, zinc-coated, 16-gauge minimum with minimum 15/16" crown width. Staples must be long

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enough to penetrate at least ¾" into solid decking or extend a minimum of 1/8" through the sheathing. But not to break through visible under eves.

8.1.5.5 PLASTIC CAPPED NAILS

Roofing underlayment shall be fastened with plastic capped nails.

8.1.6 FASCIA PRODUCT SPECIFICATIONS

Spruce lumber with a 5/4 smooth finish (2" thickness). Material must be free of short pieces, ensuring consistent quality and length. Equivalent alternatives must meet these specifications.

8.1.7 FLASHING SPECIFICATIONS

Metal flashings shall conform to ASTM A361; ASTM B209, ASTM B370; sheet metal flashing to meet shingle manufacturer's requirements. Shall meet or exceed local building code requirements. Shall be galvanized steel.

8.1.8 GUTTER PRODUCT SPECIFICATION

Roof gutters shall be fabricated from a minimum of 24-gauge galvanized steel or .027" thick aluminum, ensuring durability and resistance to weathering. Gutters must be equipped with high-quality screens designed to prevent debris from entering the system, thereby reducing the risk of clogs and ensuring efficient water drainage.

8.1.9 INSULATION SPECIFICATIONS

8.1.9.1 BLOWN IN INSULATION

Shall be either of the following:
Cellulosic-Fiber, ASTM C739, or
Loose glass fiber insulation, ASTM C764

8.1.9.2 RIGID FOAM BOARD INSULATION

Foam board insulation shall be foil-faced Polyisocyanurate

8.1.10 LUMBER SPECIFICATIONS

Lumber and wood products shall be delivered onsite with sufficient time allowed to acclimate to local temperature & humidity levels.

8.1.10.1 FRAMING LUMBER

Lumber for concealed structural and or blocking work shall be Douglas Fir, No 3 or standard grade. Moisture content 19%

8.1.10.2 PLYWOOD SHEATHING

Plywood Roof Sheathing: Exposure 1, Structural I. Sheathing.

8.1.10.3 WOOD TRIM

Lumber installed in exposed locations shall be Kiln Dried Douglas Fir, #2 or better, with no visible knots or splits. Maximum moisture content 15%

8.1.11 PAINT PRODUCTS SPECIFICATION (FIELD APPLIED)

8.1.11.1 METAL PRODUCTS

Cleaning/Etching: Rustoleum Krud Cutter Metal Clean & Etch
Prime Coat: Premium plus, low VOC, fast drying, waterborne, acrylic coating for interior and exterior use. Excellent adhesion to metal surfaces, particularly galvanized metal; hence protecting the metal surface from oxidation. Vista #4800 Metal Pro Primer

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Finish Coat: Premium 100% acrylic solid-bodied stain and finish for exterior use on wood, masonry and previously painted surfaces. Matte flat finish with excellent color retention and mildew resistance. Vista #3000 AcriBond

8.1.11.2 ROOFING MATERIAL PAINT

Touch up paint for roofing materials shall be exterior acrylic rust resistant aerosol roof accessory paint provided by or approved by the roofing manufacturer. Color to match the roof.

8.1.11.3 WOOD PRODUCTS (PRIMER ONLY)

Multi-purpose 100% acrylic primer for exterior and interior applications. Superior resistance to efflorescence and alkalinity on concrete and masonry. Vista Paint Corporation #4000 UniPrime

8.1.12 ROOFING MATERIALS

8.1.12.1 ASPHALT LAMINATED SHINGLES

Granule surfaced, high reflectance, self-sealing asphalt shingle with a strong fiberglass reinforced Micro Weave core and a mineral granule surfacing. Architectural laminate styling provides a wood shake appearance with a 5 5/8in. exposure. Features highly reflective roofing granules that bounce back the sun's rays and more effectively release absorbed heat. Rated by the Cool Roof Rating Council (CRRC), California Title 24 compliant.

UL 790 Class A rated with UL 997 Wind Resistance Label; ASTM D 7158, Class H; ASTM D 3161, Type 1; ASTM D 3018, Type 1; ASTM D 3462; AC438 compliant; CSA 123.5-98; Dade County Approved, Florida Building Code Approved, Texas Dept. of Insurance Approved, ICC Report Approval.

Recommended Product: Timberline Cool HDZ Series Lifetime Shingles, by GAF. Appalachian Sky (or equal). ***See Attachment #5***

8.1.12.2 LEAK BARRIER (ICE & WATER SHIELD)

Self-adhering, self-sealing, bituminous leak barrier. 36” Wide roll. Approved by UL, Dade County, ICC, State of Florida and Texas Department of Insurance. Recommended product: Storm Guard or Weather Watch Leak Barrier, by GAF.

8.1.12.3 MEMBRANE ROOFING

Atactic Polypropylene (APP) modified bitumen roofing membrane specifically designed for torch applications. Constructed with highly reflective granule surface which meets or exceeds CA Title 24 standards for cool roofing. Must have exceptional granule retention, minimal staining, scuff resistance and UV stabilization for long-term durability and performance.

Recommended Products: GAF TriPly APP Granule, PolyGlass Polyfresco G or equivalent.

8.1.12.4 ROOF CEMENT AND SEALANTS

Water-borne, cellulose fiber reinforced low VOC sealant. Shall form a tough, flexible, UV and water-resistant seal. Shall meet the following: Flash Point, ASTM D 1310, None; Volatile Organic Compounds (VOC), ASTM D 6886, Less than 50 grams/Liter. Elongation, ASTM D2370, 250%. Recommended products: Polyglass Polybrite 73, Tropical Roofing Products #951 or Equal

8.1.12.5 UNDERLAYMENT (WATER BARRIER)

Underlayment and roof deck protection for low slope areas shall be one of the following based on specific weather needs at installation location:

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8.1.12.5.1 SYNTHETIC UNDERLAYMENT (PREFERRED)

Non-asphaltic, breathable, special moisture control designed synthetic underlayment. UV stabilized polypropylene construction. Meets or exceeds ASTM D226 and D4869. Recommended products: Deck Armor or Tiger Paw Roof Deck Protection, by GAF.

8.1.12.5.2 ASPHALT IMPREGNATED CELLULOSE FIBER (ALTERNATE)

#15 Roofing Underlayment: Water repellent asphalt impregnated breather type cellulose fiber building paper. Meets or exceeds the requirements of ASTM D 4869 Type I.

8.1.13 WOOD PROCUCTS SPECIFICATIONS

Lumber installed in exposed locations shall be Kiln Dried Douglas Fir, #2 or better, with no visible knots or splits. Maximum moisture content 15%. Lumber and wood products shall be delivered onsite with sufficient time allowed to acclimate to local temperature & humidity levels.

8.1.14 OTHER MATERIALS

Any other materials not specifically described, but required for complete and proper installation, as selected by the Contractor are subject to HACSB approval. **Submit proposed materials or substitutions with bid package.**

8.2 WORKMANSHIP SPECIFICATIONS

Work performed by the general contractors and/or subcontractors shall be performed in a good workmanlike manner and quality. Workmanlike quality is defined as workmanship that meets or exceeds HUD Housing Quality Standards (HQS), Specific City Building Codes, or Uniform Building Codes, whichever is more stringent. For more information on HUD HQS, see the "Landlords" page on our website: www.hacsb.com/landlords

8.2.1 ATTIC VENTILATION STANDARDS

Attic ventilation shall be installed per engineered plans provided by the venting manufacturer. Attic ventilation requirements are 1 sq. ft. of net free venting areas per 150 sq. ft. of attic floor area. Venting must be installed in a balanced system of intake and exhaust, with intake (eave) vents providing 50%-60% of the open venting area, and the exhaust (ridge) vents providing 40%-50% of the open venting area. See ***Attachments #12-#14 – ATTIC VENTILATION PLANS FOR EACH BUILDING***

8.2.2 EXTERIOR PLASTER REPAIR

Units were built in 1970 and are subject to EPA RRP rule and lead safe work practices. Refer to Asbestos and Lead-based Paint Report at **Attachment #15** for specific locations. Repairs must be watertight. Break back existing stucco and lath to reveal 6" of intact building paper. New building paper must overlap by at least 4" on horizontal sides, and 2" vertically. If there is water damage and moisture is present, or there is evidence of mildew/mold, contractor is to secure the site. Do not disturb the affected area. Seal affected area with 6 mil black plastic taped to wall, clean up all debris and contact HACSB Project Coordinator for next steps.

8.2.3 FASCIA REPLACEMENT WORKMANSHIP

Installation of fascia must be straight and uniform, with no bowing or cupping of the surface. There shall be no visible change in surface height at the joint. Joints must be planned out so that fascia joints are over a rafter tail. Minimum length of replacement fascia sections shall be 8 ft (4 bays). All exterior wood products must be primed on all 6 sides prior to installation. Fiber cement products

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shall not be primed on the interior side. Caulk all joints and corners of materials. Completed installation shall receive one coat of exterior primer.

8.2.4 FINISH CARPENTRY WORKMANSHIP

Installation of fascia and trim components must be straight, level and uniform. All exterior wood products must be primed on all 6 sides prior to installation. Fiber cement products shall NOT be primed on the interior side. Cutting and machining of all components shall leave no machine marks. Chamfer and sand all field cut edges to leave a smooth surface. No visible nail holes or assembly joints on molding or trim. Prime all exposed surfaces of the completed installation. Caulk all joints and corners of materials. Completed installation shall receive one coat of exterior primer.

8.2.5 FLASHING INSTALLATION WORKMANSHIP

Form flashing per plans and specifications, shape and size, to protect roofing material from physical damage and to shed water. Metal flashing sections shall be square and accurate to profile, in maximum lengths, free from distortion or defects detrimental to appearance or performance.

Roof-wall intersections must include a kick-out to divert water away from the wall surface. See ***ATTACHMENT #6 – Kick-Out Flashing Detail***

8.2.6 GUTTER INSTALLATION AND REPAIRS

Gutters (screened)shall be supported at a maximum spacing of 48 inches for galvanized steel or 32 inches for aluminum.

Gutters supported by spikes and ferrules shall be installed only where the existing rafters and fascia boards are sound and free from rotten wood. Gutters shall be attached by means of hangers if sufficient backing is not available for the use of spikes and ferrules.

Gutters shall be installed with the minimum fall of ¼ inch per 10 feet. If the gutter is greater than 40 feet, the run shall be pitched in the center to downspouts located at each end of the run.

Contractor shall make all connections within the gutter system using appropriate fittings supplied by the product manufacturer. Contractor will properly caulk all joints.

Downspouts shall be securely fastened at the top and bottom with intermediate supports that are a maximum of 10 feet apart.

New gutters and downspouts shall be installed so that they are protected from damage.

8.2.7 INSULATION WORKMANSHIP

Baffles must be placed at eaves or soffit vents to keep insulation from blocking attic ventilation; required ventilation must be maintained: for eaves or soffit vents, one-inch (1") of unblocked free air space between the roof sheathing and the insulation is required.

Hard covers or draft stops must be placed over all deep drops and interior wall cavities to keep insulation in place and stop air movement.

If hard covers or draft stops are missing or incomplete, they should be completed before insulation is completed.

Small, inaccessible openings shall be hand packed with pieces of batt insulation.

Attic rulers appropriate to the material installed must be placed around attic to verify depth: 1 ruler for every 300 square feet, evenly distributed around the attic and clearly readable from the attic access.

Insulation shall be blown to a uniform thickness throughout the attic, with no high or low spots.

Insulation must go underneath and on both sides of obstructions such as cross-bracing and wiring.

Insulation shall be applied all the way to the outer edge of the wall top plate.

Insulation shall cover IC rated lighting fixtures.

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Fixtures that are not IC rated (e.g., heat lamps) need to be enclosed in a drywall box and the box covered with insulation. There shall be no excessive compression of insulation material.
Clearances around fossil-fuel appliances and heat-exhaust vents shall follow local fire protection codes.
No insulation or facing shall be placed in air spaces surrounding metal chimneys or fireplaces; follow manufacturer's recommendations.
Rigid foam insulation shall be installed in areas where blown-in insulation has not been applied, such as access panels and doors. Rigid insulation must be mechanically attached (screwed) to the access doors.
The insulation installer shall provide a certification listing the type, manufacturer and R-value of insulation installed in each element of the building thermal envelope. For blown or sprayed insulation (fiberglass and cellulose), the initial installed thickness, settled thickness, settled R-value, installed density, coverage area and number of bags installed shall be listed on the certification.
The insulation installer shall sign, date and post the certificate in a conspicuous location on the job site and provide a copy for the inspector to place in the permanent file.

8.2.8 PAINTING WORKMANSHIP

Units were built in 1970 and are subject to EPA RRP rule and lead safe work practices. Refer to Asbestos and Lead-based Paint Report at ATTACHMENT #15 for specific locations.

8.2.8.1 CONDITION OF SURFACES

Contractor to examine all surfaces. Any surfaces that are in question or that will affect the execution or quality of work must be brought to the attention of the Project Coordinator before painting commences.

8.2.8.2 GALVANIZED METAL PREPARATION

New galvanized metal products shall be chemically etched, or “pickled” before priming.

8.2.8.3 WORKMANSHIP

Provide best quality workmanship, performed by skilled mechanics in compliance with this specification. Perform work under conditions best suited to the production of acceptable work as per manufacturer recommendations.
Protect all adjacent areas and surfaces from damage from misplaced paint and preparation work (i.e. automobiles, sidewalks, asphalt, concrete, plants, and patio furniture).
Ensure that hardware is removed / protected before painting is started and replaced/uncovered when painting in that area is completed.
DO NOT apply paint in rain, fog, or mist, or when SURFACE temperature is below 50 or above 90 degrees Fahrenheit.
Immediately clean up all accidental spatters, spillage and misplaced paint and restore the affected surface to its original condition. Provide a clean, orderly and liability-free work area.
Coverage: the number of coats specified is the minimum number acceptable. If full coverage is not obtained with the specified number of coats, apply additional number of coats as necessary to produce the required finish.
Clean-up: At completion of work each day, remove all materials, supplies, debris and rubbish caused by Painting Contractor and leave workspaces and paint storage areas in clean, acceptable condition.

8.2.9 ROOFING WORKMANSHIP

8.2.9.1 GENERAL ROOFING WORKMANSHIP

No fasteners shall be visible from the underside of the eaves.

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All roof edges, valleys, and projections larger than 12”12” shall receive leak barrier treatment.

Roof-wall intersections must include a kick-out to divert water away from the wall surface. See ***ATTACHMENT #6 – Kick-Out Flashing Detail***

8.2.9.2 LOW SLOPE ROOFS (LESS THAN 3/12)

For low slope roof projects, Contractor must install additional leak barrier and **double underlayment** per manufacturer’s recommended installation procedure for low slope roofs. Roof drip edge metal on low slope roofs shall be ‘sandwiched’ between 2 layers of leak barrier per the method below:

1. Install 6” wide self-adhesive leak barrier *with adhesive side up* along entire length of roof eaves.
2. Install drip edge metal at eave edge, embedding the drip edge into the adhesive. Overlap metal 1” and install flexible sealant between layers. Install fasteners per manufacturer specifications.
3. Install self-adhesive leak barrier over drip edge along entire length of roof eave. Drip edge will be “sandwiched” between the 2 courses of adhesive. Top layer of leak barrier must extend 36” minimum from edge, or 24” past the interior wall, whichever is greater.
4. Install 2 layers of underlayment per manufacturer’s specifications. Overlap courses based on the pitch of the roof and manufacturer’s installation recommendations. Install sufficient fasteners per manufacturer’s specifications. Fasteners must not be visible from below the eaves.
5. Install drip edge metal over the underlayment at gable edges of the roof. Fasten per manufacturer’s specifications.
6. Install 6” wide self-adhesive leak barrier over drip edge and adhere to the underlayment.

8.2.9.3 MEDIUM SLOPED ROOFS (4/12 AND HIGHER)

Roof drip edge metal for medium sloped roofs shall be installed per the method below:

1. Install leak barrier along eave edges. Top layer of leak barrier must extend 36” minimum from edge, or 12” past the interior wall, whichever is greater.
2. Install drip edge metal at eave edge. Overlap metal 1” and install flexible sealant between layers. Install fasteners per manufacturer specifications.
3. Install 6” strip of self-adhesive leak barrier over drip edge along entire length of roof eave. Check manufacturer’s instructions for use of a primer.
4. Install underlayment per manufacturer’s specifications. Overlap courses based on the pitch of the roof and manufacturer’s installation recommendations. Install sufficient fasteners per manufacturer’s specifications. Fasteners must not be visible from below the eaves.
5. Install drip edge metal over the underlayment at gable edges of the roof. Fasten per manufacturer’s specifications.
6. Install 6” wide self-adhesive leak barrier over drip edge and adhere to the underlayment.

8.2.9.4 MEMBRANE ROOFS

Membrane roof sections adjacent to sloped roofs shall be extended at least 48” past the transition point or 24” past the interior wall, whichever is greater.

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Roof drip edge metal on membrane roofs shall be 'sandwiched' between 2 layers of the roofing membrane per the method below:

1. Install 6" membrane strip along all edges of roof edge *with adhesive facing up*.
2. Install metal drip edge or flashing, embedding into adhesive layer. Overlap metal 1" and install flexible sealant between layers. Install fasteners per manufacturer specifications.
3. Install membrane over drip edge or flashing with adhesive facing down.

8.3 REGULATORY COMPLIANCE

All work shall be in compliance with the following regulations:

8.3.1 FEDERAL REGULATIONS

8.3.1.1 CODE OF FEDERAL REGULATIONS

24 CFR 35	Lead based paint prohibition
40 CFR 745	Residential Property Renovation (Lead Based Paint)

8.3.1.2 HUD HOUSING QUALITY STANDARDS

24 CFR 982.401	Housing Quality Standards

8.3.1.3 UNITED STATES CODE

40 U.S.C. 3141-3148	
SECTION 1770	State Prevailing

8.3.2 CALIFORNIA REGULATIONS

8.3.2.1 CALIFORNIA GOVERNMENT CODE

SECTION 4216	Protection of Underground Infrastructure (Dig Alert)

8.3.3 LOCAL REGULATIONS

8.3.3.1 SAN BERNARDINO CODE OF ORDINANCES INTEGRATED SOLID WASTE MANAGEMENT DIVISION | SAN BERNARDINO, CA

8.3.3.2 CITY OF SAN BERNARDINO MUNICIPAL CODE

TITLE 5	Business Licenses City of UplandDoing Business in Upland
TITLE 12	Public Improvements (Sidewalk Encroachment)
TITLE 15	Buildings & Construction City of UplandCodes in Effect

8.3.3.3 HACSB LOCAL INSPECTION STANDARDS

CHAPTER 10	Housing Services Program Administrative Plan

9 BUSINESS TERMS

9.1 PAYMENTS

Invoices should substantially match the approved estimates for each unit.

9.1.1 INVOICES MAY BE SUBMITTED AT THE FOLLOWING MILESTONES:

Mobilization - At the end of the first week of construction - 10% of the contract total.
Progress - Each thirty days - Completed units up to invoice date - pro-rated to 85% of the completed unit amount.
Job Completion - All units are complete & all city inspections approved - up to 95% of contract total.
Retention - Thirty days after project acceptance, 5% of the contract total.

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9.1.2 MOBILIZATION INVOICE - THE FOLLOWING DOCUMENTS SHALL BE SUBMITTED:

Contractor's Invoice, on company letterhead, with unique Invoice number, with HACSB Contract number (PC1444) and job description.
Schedule of Values (HUD form #51000)
Periodic Estimate for Partial Payment (HUD form #51001)
Conditional Waiver and Release upon Progress Payment

9.1.3 PROGRESS INVOICE - THE FOLLOWING DOCUMENTS SHALL BE SUBMITTED:

Contractor's Invoice
Schedule of Values (HUD form #51000)
Periodic Estimate for Partial Payment (HUD form #51001)
Conditional Waiver and Release upon Progress Payment
Unconditional Release upon progress payment (for all previously paid invoices)
On-site daily sign in sheets and Daily Activity logs
Weekly Safety Meeting Report
Certified Payroll completed in LCP Tracker

9.1.4 JOB COMPLETION INVOICE - THE FOLLOWING DOCUMENTS SHALL BE SUBMITTED:

Same documents as a PROGRESS INVOICE listed above.
Conditional Waiver and Release upon progress Payment.
Unconditional Release upon progress payment (for all previously paid invoices)
Original signed off permit cards.
As-Built Plans, Shop Drawings, and Materials Specifications
Contractor's Warranty
Manufacturer's Warranty

9.1.5 RETENTION INVOICE - THE FOLLOWING DOCUMENTS SHALL BE SUBMITTED:

Contractor's Invoice
Unconditional Release upon progress payment (for all previously paid invoices)
Conditional Waiver and Release upon Final Payment.

9.1.6 HACSB TERMS ARE NET 30 DAYS

Invoices will be processed only after all supporting documents have been approved by HACSB.

9.2 ADJUSTMENTS TO CONTRACT TIME / AMOUNT

Contractor cannot change materials, timeline, or contract sum without the express written approval of HACSB. See HUD 5370

9.2.1 CONTRACT TIME

If a proposed change to the scope of work results in additional time to complete the contract, contractor must submit a Request for Adjustment on the Contract Time within five business days of the change.

9.2.2 CONTRACT AMOUNT

If a proposed change to the scope of work results in an increase in the amount of the total contract, contractor must submit a Request for Adjustment on the Contract Amount within five business days of the change.

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10 ATTACHMENTS – AVAILABLE WITH HACSB PROCUREMENT DEPARTMENT

ATTACHMENT #1 - DIRECTIONS AND SITE MAP
ATTACHMENT #2 - BLUEPRINTS
ATTACHMENT #3 - HUD FORM
ATTACHMENT #4 - ROOF PREPARATION FOR REROOFING
ATTACHMENT #5 - ROOF SPECS.
ATTACHMENT #6 - KICKOUT FLASHING SPECS
ATTACHMENT #7 - SATELLITE MOUNT SPECS
ATTACHMENT #8 - LAR22 INSTALL FALL PROTECTION
ATTACHMENT #9 - ROSU01 FALL PROTECTION SPECS
ATTACHMENT #10 - LADDER DOC
ATTACHMENT #11 - OHAGIN VENTING 1226 N CAMPUS
ATTACHMENT #12 - OHAGIN VENTING 1200 N CAMPUS
ATTACHMENT #13 - OHAGIN VENTING 1286 N CAMPUS
ATTACHMENT #14 - FIBERGLASS ASPHALT ROOF SYSTEM
ATTACHMENT #15 - ASBESTOS REPORT
ATTACHMENT #16 - PREVAILING WAGE REQUIREMENTS
ATTACHMENT #17 - WAGE DETERMINATION
ATTACHMENT #18 - SAMPLE CONTRACT

END OF SOW

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EXHIBIT "B"

GENERAL CONDITIONS FOR CONSTRUCTION CONTRACTS
PUBLIC HOUSING PROGRAMS
(form HUD – 5370)

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

General Conditions for Construction Contracts - Public Housing Programs

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB Approval No. 2577-0157 (exp. 11/30/2023)

Applicability. This form is applicable to any construction/development contract greater than $250,000.

Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information requested is required to obtain a benefit. This form includes those clauses required by OMB's common rule on grantee procurement, implemented at HUD in 2 CFR 200, and those requirements set forth in Section 3 of the Housing and Urban Development Act of 1968 and its amendment by the Housing and Community Development Act of 1992, implemented by HUD at 24 CFR Part 75. The form is required for construction contracts awarded by Public Housing Agencies (PHAs). The form is used by Housing Authorities in solicitations to provide necessary contract clauses. If the form were not used, PHAs would be unable to enforce their contracts. There are no assurances of confidentiality. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.

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3.	Architect's Duties, Responsibilities and Authority	2	26.	Order of Precedence	9
4.	Other Contracts	3	27.	Payments	9
	Construction Requirements		28.	Contract Modifications	*10*
5.	Preconstruction Conference and Notice to Proceed	3	29.	Changes	10
6.	Construction Progress Schedule	3	30.	Suspension of Work	11
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1. Definitions

(a) "Architect" means the person or other entity engaged by the PHA to perform architectural, engineering, design, and other services related to the work as provided for in the contract. When a PHA uses an engineer to act in this capacity, the terms "architect" and "engineer" shall be synonymous. The Architect shall serve as a technical representative of the Contracting Officer. The Architect's authority is as set forth elsewhere in this contract.

(b) "Contract" means the contract entered into between the PHA and the Contractor. It includes the forms of Bid, the Bid Bond, the Performance and Payment Bond or Bonds or other assurance of completion, the Certifications, Representations, and Other Statements of Bidders (form HUD-5370), these General Conditions of the Contract for Construction (form HUD-5370), the applicable wage rate determinations from the U.S. Department of Labor, any special conditions included elsewhere in the contract, the specifications, and drawings. It includes all formal changes to any of those documents by addendum, change order, or other modification.

(c) "Contracting Officer" means the person delegated the authority by the PHA to enter into, administer, and/or terminate this contract and designated as such in writing to the Contractor. The term includes any successor Contracting Officer and any duly authorized representative of the Contracting Officer also designated in writing. The Contracting Officer shall be deemed the authorized agent of the PHA in all dealings with the Contractor.

(d) "Contractor" means the person or other entity entering into the contract with the PHA to perform all of the work required under the contract.

(e) "Drawings" means the drawings enumerated in the schedule of drawings contained in the Specifications and as described in the contract clause entitled Specifications and Drawings for Construction herein.

(f) "HUD" means the United States of America acting through the Department of Housing and Urban Development including the Secretary, or any other person designated to act on its behalf. HUD has agreed, subject to the provisions of an Annual Contributions Terms and Conditions (ACC), to provide financial assistance to the PHA, which includes assistance in financing the work to be performed under this contract. As defined elsewhere in these General Conditions or the contract documents, the determination of HUD may be required to authorize changes in the work or for release of funds to the PHA for payment to the Contractor. Notwithstanding HUD's role, nothing in this contract shall be construed to create any contractual relationship between the Contractor and HUD.

(g) "Project" means the entire project, whether construction or rehabilitation, the work for which is provided for in whole or in part under this contract.

(h) "PHA" means the Public Housing Agency organized under applicable state laws which is a party to this contract.

(j) "Specifications" means the written description of the technical requirements for construction and includes the criteria and tests for determining whether the requirements are met.

(l) "Work" means materials, workmanship, and manufacture and fabrication of components.

2. Contractor's Responsibility for Work

(a) The Contractor shall furnish all necessary labor, materials, tools, equipment, and transportation necessary for performance of the work. The Contractor shall also furnish all necessary water, heat, light, and power not made available to the Contractor by the PHA pursuant to the clause entitled Availability and Use of Utility Services herein.

(b) The Contractor shall perform on the site, and with its own organization, work equivalent to at least [ ] (12 percent unless otherwise indicated) of the total amount of work to be performed under the order. This percentage may be reduced by a supplemental agreement to this order if, during performing the work, the Contractor requests a reduction and the Contracting Officer determines that the reduction would be to the advantage of the PHA.

(c) At all times during performance of this contract and until the work is completed and accepted, the Contractor shall directly superintend the work or assign and have on the work site a competent superintendent who is satisfactory to the Contracting Officer and has authority to act for the Contractor.

(d) The Contractor shall be responsible for all damages to persons or property that occur as a result of the Contractor's fault or negligence, and shall take proper safety and health precautions to protect the work, the workers, the public, and the property of others. The Contractor shall hold and save the PHA, its officers and agents, free and harmless from liability of any nature occasioned by the Contractor's performance. The Contractor shall also be responsible for all materials delivered and work performed until completion and acceptance of the entire work, except for any completed unit of work which may have been accepted under the contract.

(e) The Contractor shall lay out the work from base lines and bench marks indicated on the drawings and be responsible for all lines, levels, and measurements of all work executed under the contract. The Contractor shall verify the figures before laying out the work and will be held responsible for any error resulting from its failure to do so.

(f) The Contractor shall confine all operations (including storage of materials) on PHA premises to areas authorized or approved by the Contracting Officer.

(g) The Contractor shall at all times keep the work area, including storage areas, free from accumulations of waste materials. After completing the work and before final inspection, the Contractor shall (1) remove from the premises all scaffolding, equipment, tools, and materials (including rejected materials) that are not the property of the PHA and all rubbish caused by its work; (2) leave the work area in a clean, neat, and orderly condition satisfactory to the Contracting Officer; (3) perform all specified tests; and, (4) deliver the installation in complete and operating condition.

(h) The Contractor's responsibility will terminate when all work has been completed, the final inspection made, and the work accepted by the Contracting Officer. The Contractor will then be released from further obligation except as required by the warranties specified elsewhere in the contract.

3. Architect's Duties, Responsibilities, and Authority

(a) The Architect for this contract, and any successor, shall be designated in writing by the Contracting Officer.

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(b) The Architect shall serve as the Contracting Officer's technical representative with respect to architectural, **Schedule** engineering, and design matters related to the work performed under the contract. The Architect may provide direction on contract performance. Such direction shall be within the scope of the contract and may not be of a nature which: (1) institutes additional work outside the scope of the contract; (2) constitutes a change as defined in the Changes clause herein; (3) causes an increase or decrease in the cost of the contract; (4) alters the Construction Progress Schedule; or (5) changes any of the other express terms or conditions of the contract.

(c) The Architect's duties and responsibilities may include but shall not be limited to:

(1) Making periodic visits to the work site, and on the basis of his/her on-site inspections, issuing written reports to the PHA which shall include all observed deficiencies. The Architect shall file a copy of the report with the Contractor's designated representative at the site;

(2) Making modifications in drawings and technical specifications and assisting the Contracting Officer in the preparation of change orders and other contract modifications for issuance by the Contracting Officer;

(3) Reviewing and making recommendations with respect to - (i) the Contractor's construction progress schedules; (ii) the Contractor's shop and detailed drawings; (iii) the machinery, mechanical and other equipment and materials or other articles proposed for use by the Contractor; and, (iv) the Contractor's price breakdown and progress payment estimates; and,

(4) Assisting in inspections, signing Certificates of Completion, and making recommendations with respect to acceptance of work completed under the contract.

4. Other Contracts

The PHA may undertake or award other contracts for additional work at or near the site of the work under this contract. The Contractor shall fully cooperate with the other contractors and with PHA employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by PHA employees

Construction Requirements

5. Pre-construction Conference and Notice to Proceed

(a) Within ten calendar days of contract execution, and prior to the commencement of work, the Contractor shall attend a preconstruction conference with representatives of the PHA, its Architect, and other interested parties convened by the PHA. The conference will serve to acquaint the participants with the general plan of the construction operation and all other requirements of the contract. The PHA will provide the Contractor with the date, time, and place of the conference.

(b) The contractor shall begin work upon receipt of a written Notice to Proceed from the Contracting Officer or designee. The Contractor shall not begin work prior to receiving such notice.

6. Construction Progress

(a) The Contractor shall, within five days after the work commences on the contract or another period of time determined by the Contracting Officer, prepare and submit to the Contracting Officer for approval three copies of a practicable schedule showing the order in which the Contractor proposes to perform the work, and the dates on which the Contractor contemplates starting and completing the several salient features of the work (including acquiring labor, materials, and equipment). The schedule shall be in the form of a progress chart of suitable scale to indicate appropriately the percentage of work scheduled for completion by any given date during the period. If the Contractor fails to submit a schedule within the time prescribed, the Contracting Officer may withhold approval of progress payments or take other remedies under the contract until the Contractor submits the required schedule.

(b) The Contractor shall enter the actual progress on the chart as required by the Contracting Officer, and immediately deliver three copies of the annotated schedule to the Contracting Officer. If the Contracting Officer determines, upon the basis of inspection conducted pursuant to the clause entitled Inspection and Acceptance of Construction, herein that the Contractor is not meeting the approved schedule, the Contractor shall take steps necessary to improve its progress, including those that may be required by the Contracting Officer, without additional cost to the PHA. In this circumstance, the Contracting Officer may require the Contractor to increase the number of shifts, overtime operations, days of work, and/or the amount of construction plant, and to submit for approval any supplementary schedule or schedules in chart form as the Contracting Officer deems necessary to demonstrate how the approved rate of progress will be regained.

(c) Failure of the Contractor to comply with the requirements of the Contracting Officer under this clause shall be grounds for a determination by the Contracting Officer that the Contractor is not prosecuting the work with sufficient diligence to ensure completion within the time specified in the Contract. Upon making this determination, the Contracting Officer may terminate the Contractor's right to proceed with the work, or any separable part of it, in accordance with the Default clause of this contract.

7. Site Investigation and Conditions Affecting the Work

(a) The Contractor acknowledges that it has taken steps reasonably necessary to ascertain the nature and location of the work, and that it has investigated and satisfied itself as to the general and local conditions which can affect the work or its cost, including but not limited to, (1) conditions bearing upon transportation, disposal, handling, and storage of materials; (2) the availability of labor, water, electric power, and roads;(3) uncertainties of weather, river stages, tides, or similar physical conditions at the site; (4) the conformation and conditions of the ground; and (5) the character of equipment and facilities needed preliminary to and during work performance. The Contractor also acknowledges that it has satisfied itself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is

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reasonably ascertainable from an inspection of the site, including all exploratory work done by the PHA, as well as from the drawings and specifications made a part of this contract. Any failure of the Contractor to take the actions described and acknowledged in this paragraph will not relieve the Contractor from responsibility for estimating properly the difficulty and cost of successfully performing the work, or for proceeding to successfully perform the work without additional expense to the PHA.

(b) The PHA assumes no responsibility for any conclusions or interpretations made by the Contractor based on the information made available by the PHA. Nor does the PHA assume responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before the execution of this contract, unless that understanding or representation is expressly stated in this contract.

8. Differing Site Conditions

(a) The Contractor shall promptly, and before the conditions are disturbed, give a written notice to the Contracting Officer of (1) subsurface or latent physical conditions at the site which differ materially from those indicated in this contract, or (2) unknown physical conditions at the site(s), of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the contract.

(b) The Contracting Officer shall investigate the site conditions promptly after receiving the notice. Work shall not proceed at the affected site, except at the Contractor's risk, until the Contracting Officer has provided written instructions to the Contractor. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, the Contractor shall file a claim in writing to the PHA within ten days after receipt of such instructions and, in any event, before proceeding with the work. An equitable adjustment in the contract price, the delivery schedule, or both shall be made under this clause and the contract modified in writing accordingly.

(c) No request by the Contractor for an equitable adjustment to the contract under this clause shall be allowed, unless the Contractor has given the written notice required; provided, that the time prescribed in (a) above for giving written notice may be extended by the Contracting Officer.

(d) No request by the Contractor for an equitable adjustment to the contract for differing site conditions shall be allowed if made after final payment under this contract.

9. Specifications and Drawings for Construction

(a) The Contractor shall keep on the work site a copy of the drawings and specifications and shall at all times give the Contracting Officer access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In case of difference between drawings and specifications, the specifications shall govern. In case of discrepancy in the figures, in the drawings, or in the specifications, the matter shall be promptly submitted to the Contracting Officer, who shall promptly make a determination in writing. Any adjustment by the Contractor without such a determination shall be at its own risk and expense. The Contracting Officer shall furnish from time to time such detailed drawings and other information as considered necessary, unless otherwise provided.

(b) Wherever in the specifications or upon the drawings the words "directed", "required", "ordered", "designated", "prescribed", or words of like import are used, it shall be understood that the "direction", "requirement", "order", "designation", or "prescription", of the Contracting Officer is intended and similarly the words "approved", "acceptable", "satisfactory", or words of like import shall mean "approved by", or "acceptable to", or "satisfactory to" the Contracting Officer, unless otherwise expressly stated.

(c) Where "as shown" "as indicated", "as detailed", or words of similar import are used, it shall be understood that the reference is made to the drawings accompanying this contract unless stated otherwise. The word "provided" as used herein shall be understood to mean "provide complete in place" that is "furnished and installed".

(d) "Shop drawings" means drawings, submitted to the PHA by the Contractor, subcontractor, or any lower tier subcontractor, showing in detail (1) the proposed fabrication and assembly of structural elements and (2) the installation (i.e., form, fit, and attachment details) of materials of equipment. It includes drawings, diagrams, layouts, schematics, descriptive literature, illustrations, schedules, performance and test data, and similar materials furnished by the Contractor to explain in detail specific portions of the work required by the contract. The PHA may duplicate, use, and disclose in any manner and for any purpose shop drawings delivered under this contract.

(e) If this contract requires shop drawings, the Contractor shall coordinate all such drawings, and review them for accuracy, completeness, and compliance with other contract requirements and shall indicate its approval thereon as evidence of such coordination and review. Shop drawings submitted to the Contracting Officer without evidence of the Contractor's approval may be returned for resubmission. The Contracting Officer will indicate an approval or disapproval of the shop drawings and if not approved as submitted shall indicate the PHA's reasons therefore. Any work done before such approval shall be at the Contractor's risk. Approval by the Contracting Officer shall not relieve the Contractor from responsibility for any errors or omissions in such drawings, nor from responsibility for complying with the requirements of this contract, except with respect to variations described and approved in accordance with (f) below.

(f) If shop drawings show variations from the contract requirements, the Contractor shall describe such variations in writing, separate from the drawings, at the time of submission. If the Architect approves any such variation and the Contracting Officer concurs, the Contracting Officer shall issue an appropriate modification to the contract, except that, if the variation is minor or does not involve a change in price or in time of performance, a modification need not be issued.

(g) It shall be the responsibility of the Contractor to make timely requests of the PHA for such large scale and full size drawings, color schemes, and other additional information, not already in his possession, which shall be

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required in the planning and production of the work. Such requests may be submitted as the need arises, but each such request shall be filed in ample time to permit appropriate action to be taken by all parties involved so as to avoid delay.

(h) The Contractor shall submit to the Contracting Officer for approval four copies (unless otherwise indicated) of all shop drawings as called for under the various headings of these specifications. Three sets (unless otherwise indicated) of all shop drawings, will be retained by the PHA and one set will be returned to the Contractor. As required by the Contracting Officer, the Contractor, upon completing the work under this contract, shall furnish a complete set of all shop drawings as finally approved. These drawings shall show all changes and revisions made up to the time the work is completed and accepted.

(i) This clause shall be included in all subcontracts at any tier. It shall be the responsibility of the Contractor to ensure that all shop drawings prepared by subcontractors are submitted to the Contracting Officer.

10. As-Built Drawings

(a) "As-built drawings," as used in this clause, means drawings submitted by the Contractor or subcontractor at any tier to show the construction of a particular structure or work as actually completed under the contract. "As-built drawings" shall be synonymous with "Record drawings."

(b) As required by the Contracting Officer, the Contractor shall provide the Contracting Officer accurate information to be used in the preparation of permanent as-built drawings. For this purpose, the Contractor shall record on one set of contract drawings all changes from the installations originally indicated, and record final locations of underground lines by depth from finish grade and by accurate horizontal offset distances to permanent surface improvements such as buildings, curbs, or edges of walks.

(c) This clause shall be included in all subcontracts at any tier. It shall be the responsibility of the Contractor to ensure that all as-built drawings prepared by subcontractors are submitted to the Contracting Officer.

11. Material and Workmanship

(a) All equipment, material, and articles furnished under this contract shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in this contract. References in the contract to equipment, material, articles, or patented processes by trade name, make, or catalog number, shall be regarded as establishing a standard of quality and shall not be construed as limiting competition. The Contractor may, at its option, use any equipment, material, article, or process that, in the judgment of, and as approved by the Contracting Officer, is equal to that named in the specifications, unless otherwise specifically provided in this contract.

(b) Approval of equipment and materials.

(1) The Contractor shall obtain the Contracting Officer's approval of the machinery and mechanical and other equipment to be incorporated into the work. When requesting approval, the Contractor shall furnish to the Contracting Officer the name of the manufacturer, the model number, and other information concerning the performance, capacity, nature, and rating of the machinery and mechanical and other equipment. When required by this contract or by the Contracting Officer, the Contractor shall also obtain the Contracting Officer's approval of the material or articles which the Contractor contemplates incorporating into the work. When requesting approval, the Contractor shall provide full information concerning the material or articles. Machinery, equipment, material, and articles that do not have the required approval shall be installed or used at the risk of subsequent rejection.

(2) When required by the specifications or the Contracting Officer, the Contractor shall submit appropriately marked samples (and certificates related to them) for approval at the Contractor's expense, with all shipping charges prepaid. The Contractor shall label, or otherwise properly mark on the container, the material or product represented, its place of origin, the name of the producer, the Contractor's name, and the identification of the construction project for which the material or product is intended to be used.

(3) Certificates shall be submitted in triplicate, describing each sample submitted for approval and certifying that the material, equipment or accessory complies with contract requirements. The certificates shall include the name and brand of the product, name of manufacturer, and the location where produced.

(4) Approval of a sample shall not constitute a waiver of the PHA right to demand full compliance with contract requirements. Materials, equipment and accessories may be rejected for cause even though samples have been approved.

(5) Wherever materials are required to comply with recognized standards or specifications, such specifications shall be accepted as establishing the technical qualities and testing methods, but shall not govern the number of tests required to be made nor modify other contract requirements. The Contracting Officer may require laboratory test reports on items submitted for approval or may approve materials on the basis of data submitted in certificates with samples. Check tests will be made on materials delivered for use only as frequently as the Contracting Officer determines necessary to insure compliance of materials with the specifications. The Contractor will assume all costs of retesting materials which fail to meet contract requirements and/or testing materials offered in substitution for those found deficient.

(6) After approval, samples will be kept in the Project office until completion of work. They may be built into the work after a substantial quantity of the materials they represent has been built in and accepted.

(c) Requirements concerning lead-based paint. The Contractor shall comply with the requirements concerning lead-based paint contained in the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) as implemented by 24 CFR Part 35.

12. Permits and Codes

(a) The Contractor shall give all notices and comply with all applicable laws, ordinances, codes, rules and regulations. Notwithstanding the requirement of the Contractor to comply with the drawings and specifications in the contract, all work installed shall comply with all applicable codes and regulations as amended by any

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waivers. Before installing the work, the Contractor shall examine the drawings and the specifications for compliance with applicable codes and regulations bearing on the work and shall immediately report any discrepancy it may discover to the Contracting Officer. Where the requirements of the drawings and specifications fail to comply with the applicable code or regulation, the Contracting Officer shall modify the contract by change order pursuant to the clause entitled Changes herein to conform to the code or regulation.

(b) The Contractor shall secure and pay for all permits, fees, and licenses necessary for the proper execution and completion of the work. Where the PHA can arrange for the issuance of all or part of these permits, fees and licenses, without cost to the Contractor, the contract amount shall be reduced accordingly.

13. Health, Safety, and Accident Prevention

(a) In performing this contract, the Contractor shall:

(1) Ensure that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his/her health and/or safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation;

(2) Protect the lives, health, and safety of other persons;

(3) Prevent damage to property, materials, supplies, and equipment; and,

(4) Avoid work interruptions.

(b) For these purposes, the Contractor shall:

(1) Comply with regulations and standards issued by the Secretary of Labor at 29 CFR Part 1926. Failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat. 96), 40 U.S.C. 3701 et seq.; and

(2) Include the terms of this clause in every subcontract so that such terms will be binding on each subcontractor.

(c) The Contractor shall maintain an accurate record of exposure data on all accidents incident to work performed under this contract resulting in death, traumatic injury, occupational disease, or damage to property, materials, supplies, or equipment, and shall report this data in the manner prescribed by 29 CFR Part 1904.

(d) The Contracting Officer shall notify the Contractor of any noncompliance with these requirements and of the corrective action required. This notice, when delivered to the Contractor or the Contractor's representative at the site of the work, shall be deemed sufficient notice of the noncompliance and corrective action required. After receiving the notice, the Contractor shall immediately take corrective action. If the Contractor fails or refuses to take corrective action promptly, the Contracting Officer may issue an order stopping all or part of the work until satisfactory corrective action has been taken. The Contractor shall not base any claim or request for equitable adjustment for additional time or money on any stop order issued under these circumstances.

(e) The Contractor shall be responsible for its subcontractors' compliance with the provisions of this clause. The Contractor shall take such action with respect to any subcontract as the PHA, the Secretary of Housing and Urban Development, or the Secretary of Labor shall direct as a means of enforcing such provisions.

14. Temporary Heating

The Contractor shall provide and pay for temporary heating, covering, and enclosures necessary to properly protect all work and materials against damage by dampness and cold, to dry out the work, and to facilitate the completion of the work. Any permanent heating equipment used shall be turned over to the PHA in the condition and at the time required by the specifications.

15. Availability and Use of Utility Services

(a) The PHA shall make all reasonably required amounts of utilities available to the Contractor from existing outlets and supplies, as specified in the contract. Unless otherwise provided in the contract, the amount of each utility service consumed shall be charged to or paid for by the Contractor at prevailing rates charged to the PHA or, where the utility is produced by the PHA, at reasonable rates determined by the Contracting Officer. The Contractor shall carefully conserve any utilities furnished without charge.

(b) The Contractor, at its expense and in a manner satisfactory to the Contracting Officer, shall install and maintain all necessary temporary connections and distribution lines, and all meters required to measure the amount of each utility used for the purpose of determining charges. Before final acceptance of the work by the PHA, the Contractor shall remove all the temporary connections, distribution lines, meters, and associated paraphernalia.

16. Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements

(a) The Contractor shall preserve and protect all structures, equipment, and vegetation (such as trees, shrubs, and grass) on or adjacent to the work site, which are not to be removed under this contract, and which do not unreasonably interfere with the work required under this contract.

(b) The Contractor shall only remove trees when specifically authorized to do so, and shall avoid damaging vegetation that will remain in place. If any limbs or branches of trees are broken during performance of this contract, or by the careless operation of equipment, or by workmen, the Contractor shall trim those limbs or branches with a clean cut and paint the cut with a tree-pruning compound as directed by the Contracting Officer.

(c) The Contractor shall protect from damage all existing improvements and utilities (1) at or near the work site and (2) on adjacent property of a third party, the locations of which are made known to or should be known by the Contractor. Prior to disturbing the ground at the construction site, the Contractor shall ensure that all underground utility lines are clearly marked.

(d) The Contractor shall shore up, brace, underpin, secure, and protect as necessary all foundations and other parts of existing structures adjacent to, adjoining, and in the vicinity of the site, which may be affected by the excavations or other operations connected with the construction of the project.

(e) Any equipment temporarily removed as a result of work under this contract shall be protected, cleaned, and replaced in the same condition as at the time of award of this contract.

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(f) New work which connects to existing work shall correspond in all respects with that to which it connects and/or be similar to existing work unless otherwise required by the specifications.

(g) No structural members shall be altered or in any way weakened without the written authorization of the Contracting Officer, unless such work is clearly specified in the plans or specifications.

(h) If the removal of the existing work exposes discolored or unfinished surfaces, or work out of alignment, such surfaces shall be refinished, or the material replaced as necessary to make the continuous work uniform and harmonious. This, however, shall not be construed to require the refinishing or reconstruction of dissimilar finishes previously exposed, or finished surfaces in good condition, but in different planes or on different levels **Construction** when brought together by the removal of intervening work, unless such refinishing or reconstruction is specified in the plans or specifications.

(i) The Contractor shall give all required notices to any adjoining or adjacent property owner or other party before the commencement of any work.

(j) The Contractor shall indemnify and save harmless the PHA from any damages on account of settlement or the loss of lateral support of adjoining property, any damages from changes in topography affecting drainage, and from all loss or expense and all damages for which the PHA may become liable in consequence of such injury or damage to adjoining and adjacent structures and their premises.

(k) The Contractor shall repair any damage to vegetation, structures, equipment, utilities, or improvements, including those that are the property of a third party, resulting from failure to comply with the requirements of this contract or failure to exercise reasonable care in performing the work. If the Contractor fails or refuses to repair the damage promptly, the Contracting Officer may have the necessary work performed and charge the cost to the Contractor.

17. Temporary Buildings and Transportation of Materials

(a) Temporary buildings (e.g., storage sheds, shops, offices, sanitary facilities) and utilities may be erected by the Contractor only with the approval of the Contracting Officer and shall be built with labor and materials furnished by the Contractor without expense to the PHA. The temporary buildings and utilities shall remain the property of the Contractor and shall be removed by the Contractor at its expense upon completion of the work. With the written consent of the Contracting Officer, the buildings and utilities may be abandoned and need not be removed.

(b) The Contractor shall, as directed by the Contracting Officer, use only established roadways, or use temporary roadways constructed by the Contractor when and as authorized by the Contracting Officer. When materials are transported in prosecuting the work, vehicles shall not be loaded beyond the loading capacity recommended by the manufacturer of the vehicle or prescribed by any federal, state, or local law or regulation. When it is necessary to cross curbs or sidewalks, the Contractor shall protect them from damage. The Contractor shall repair or pay for the repair of any damaged curbs, sidewalks, or roads.

18. Clean Air and Water

The contactor shall comply with the Clean Air Act, as amended, 42 USC 7401 et seq., the Federal Water Pollution Control Water Act, as amended, 33 U.S.C. 1251 et seq., and standards issued pursuant thereto in the facilities in which this contract is to be performed.

19. Energy Efficiency

The Contractor shall comply with mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under the contract is performed.

20. Inspection and Acceptance of

(a) Definitions. As used in this clause -
(1) “Acceptance” means the act of an authorized representative of the PHA by which the PHA approves and assumes ownership of the work performed under this contract. Acceptance may be partial or complete.
(2) “Inspection” means examining and testing the work performed under the contract (including, when appropriate, raw materials, equipment, components, and intermediate assemblies) to determine whether it conforms to contract requirements.
(3) “Testing” means that element of inspection that determines the properties or elements, including functional operation of materials, equipment, or their components, by the application of established scientific principles and procedures.

(b) The Contractor shall maintain an adequate inspection system and perform such inspections as will ensure that the work performed under the contract conforms to contract requirements. All work is subject to PHA inspection and test at all places and at all reasonable times before acceptance to ensure strict compliance with the terms of the contract.

(c) PHA inspections and tests are for the sole benefit of the PHA and do not: (1) relieve the Contractor of responsibility for providing adequate quality control measures; (2) relieve the Contractor of responsibility for loss or damage of the material before acceptance; (3) constitute or imply acceptance; or, (4) affect the continuing rights of the PHA after acceptance of the completed work under paragraph (j) below.

(d) The presence or absence of the PHA inspector does not relieve the Contractor from any contract requirement, nor is the inspector authorized to change any term or condition of the specifications without the Contracting Officer’s written authorization. All instructions and approvals with respect to the work shall be given to the Contractor by the Contracting Officer.

(e) The Contractor shall promptly furnish, without additional charge, all facilities, labor, and material reasonably needed for performing such safe and convenient inspections and tests as may be required by the Contracting Officer. The PHA may charge to the Contractor any additional cost of inspection or test when work is not ready at the time specified by the Contractor for inspection or test, or when prior rejection makes reinspection or retest necessary. The PHA shall perform all inspections and tests in a manner that will not unnecessarily delay the work. Special, full size, and performance tests shall be performed as described in the contract.

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(f) The PHA may conduct routine inspections of the construction site on a daily basis.

(g) The Contractor shall, without charge, replace or correct work found by the PHA not to conform to contract requirements, unless the PHA decides that it is in its interest to accept the work with an appropriate adjustment in contract price. The Contractor shall promptly segregate and remove rejected material from the premises.

(h) If the Contractor does not promptly replace or correct rejected work, the PHA may (1) by contract or otherwise, replace or correct the work and charge the cost to the Contractor, or (2) terminate for default the Contractor's right to proceed.

(i) If any work requiring inspection is covered up without approval of the PHA, it must, if requested by the Contracting Officer, be uncovered at the expense of the Contractor. If at any time before final acceptance of the entire work, the **Construction** PHA considers it necessary or advisable, to examine work already completed by removing or tearing it out, the Contractor, shall on request, promptly furnish all necessary facilities, labor, and material. If such work is found to be defective or nonconforming in any material respect due to the fault of the Contractor or its subcontractors, the Contractor shall defray all the expenses of the examination and of satisfactory reconstruction. If, however, such work is found to meet the requirements of the contract, the Contracting Officer shall make an equitable adjustment to cover the cost of the examination and reconstruction, including, if completion of the work was thereby delayed, an extension of time.

(j) The Contractor shall notify the Contracting Officer, in writing, as to the date when in its opinion all or a designated portion of the work will be substantially completed and ready for inspection. If the Architect determines that the state of preparedness is as represented, the PHA will promptly arrange for the inspection. Unless otherwise specified in the contract, the PHA shall accept, as soon as practicable after completion and inspection, all work required by the contract or that portion of the work the Contracting Officer determines and designates can be accepted separately. Acceptance shall be final and conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or the PHA's right under any warranty or guarantee.

21. Use and Possession Prior to Completion

(a) The PHA shall have the right to take possession of or use any completed or partially completed part of the work. Before taking possession of or using any work, the Contracting Officer shall furnish the Contractor a list of items of work remaining to be performed or corrected on those portions of the work that the PHA intends to take possession of or use. However, failure of the Contracting Officer to list any item of work shall not relieve the Contractor of responsibility for complying with the terms of the contract. The PHA's possession or use shall not be deemed an acceptance of any work under the contract.

(b) While the PHA has such possession or use, the Contractor shall be relieved of the responsibility for (1) the loss of or damage to the work resulting from the PHA's possession or use, notwithstanding the terms of the clause entitled Permits and Codes herein; (2) all maintenance costs on the areas occupied; and, (3) furnishing heat, light, power, and water used in the areas occupied without proper remuneration therefore. If prior possession or use by the PHA delays the progress of the work or causes additional expense to the Contractor, an equitable adjustment shall be made in the contract price or the time of completion, and the contract shall be modified in writing accordingly.

22. Warranty of Title

The Contractor warrants good title to all materials, supplies, and equipment incorporated in the work and agrees to deliver the premises together with all improvements thereon free from any claims, liens or charges, and agrees further that neither it nor any other person, firm or corporation shall have any right to a lien upon the premises or anything appurtenant thereto.

23. Warranty of

(a) In addition to any other warranties in this contract, the Contractor warrants, except as provided in paragraph (j) of this clause, that work performed under this contract conforms to the contract requirements and is free of any defect in equipment, material, or workmanship performed by the Contractor or any subcontractor or supplier at any tier. This warranty shall continue for a period of _____ (one year unless otherwise indicated) from the date of final acceptance of the work. If the PHA takes possession of any part of the work before final acceptance, this warranty shall continue for a period of (one year unless otherwise indicated) from the date that the PHA takes possession.

(b) The Contractor shall remedy, at the Contractor's expense, any failure to conform, or any defect. In addition, the Contractor shall remedy, at the Contractor's expense, any damage to PHA-owned or controlled real or personal property when the damage is the result of—

(1) The Contractor's failure to conform to contract requirements; or

(2) Any defects of equipment, material, workmanship or design furnished by the Contractor.

(c) The Contractor shall restore any work damaged in fulfilling the terms and conditions of this clause. The Contractor's warranty with respect to work repaired or replaced will run for (one year unless otherwise indicated) from the date of repair or replacement.

(d) The Contracting Officer shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect or damage.

(e) If the Contractor fails to remedy any failure, defect, or damage within a reasonable time after receipt of notice, the PHA shall have the right to replace, repair or otherwise remedy the failure, defect, or damage at the Contractor's expense.

(f) With respect to all warranties, express or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished under this contract, the Contractor shall:

(1) Obtain all warranties that would be given in normal commercial practice;

(2) Require all warranties to be executed in writing, for the benefit of the PHA; and,

(3) Enforce all warranties for the benefit of the PHA.

(g) In the event the Contractor's warranty under paragraph (a) of this clause has expired, the PHA may bring suit at its own expense to enforce a subcontractor's, manufacturer's or supplier's warranty.

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(h) Unless a defect is caused by the negligence of the Contractor or subcontractor or supplier at any tier, the Contractor shall not be liable for the repair of any defect of material or design furnished by the PHA nor for the repair of any damage that results from any defect in PHA furnished material or design.

(i) Notwithstanding any provisions herein to the contrary, the establishment of the time periods in paragraphs (a) and (c) above relate only to the specific obligation of the Contractor to correct the work, and have no relationship to the time within which its obligation to comply with the contract may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to its obligation other than specifically to correct the work.

(j) This warranty shall not limit the PHA's rights under the Inspection and Acceptance of Construction clause of this contract with respect to latent defects, gross mistakes or fraud.

24. Prohibition Against Liens

The Contractor is prohibited from placing a lien on the PHA's property. This prohibition shall apply to all subcontractors at any tier and all materials suppliers.

Administrative Requirements

25. Contract Period

this contract within calendar days of the effective date of the contract, or within the time schedule established in the notice to proceed issued by the Contracting Officer.

26. Order of Provisions

accordance with the terms and conditions of the

In the event of a conflict between these General Conditions and the Specifications, the General Conditions shall prevail. In the event of a conflict between the contract and any applicable state or local law or regulation, the state or local law or regulation shall prevail; provided that such state or local law or regulation does not conflict with, or is less restrictive than applicable federal law, regulation, or Executive Order. In the event of such a conflict, applicable federal law, regulation, and Executive Order shall prevail.

27. Payments

retain ten (10) percent of the amount of progress

(a) The PHA shall pay the Contractor the price as provided in this contract.

(b) The PHA shall make progress payments approximately every 30 days as the work proceeds, on estimates of work accomplished which meets the standards of quality established under the contract, as approved by the Contracting Officer. The PHA may, subject to written determination and approval of the Contracting Officer, make more frequent payments to contractors which are qualified small businesses.

(c) Before the first progress payment under this contract, the Contractor shall furnish, in such detail as requested by the Contracting Officer, a breakdown of the total contract price showing the amount included therein for each principal category of the work, which shall substantiate the payment amount requested in order to provide a basis for determining progress payments. The breakdown shall be approved by the Contracting Officer and must be acceptable to HUD. If the contract covers more than one project, the Contractor shall furnish a separate breakdown for each. The values and quantities employed in making up this breakdown are for determining the amount of progress payments and shall not be construed as a basis for additions to or deductions from the contract price. The Contractor shall prorate its overhead and profit over the construction period of the contract.

(d) The Contractor shall submit, on forms provided by the PHA, periodic estimates showing the value of the work performed during each period based upon the approved

submitted not later than 10 days in advance of the date set for payment and are subject to correction and revision as required. The estimates must be approved by the Contracting Officer with the concurrence of the Architect prior to payment. If the contract covers more than one project, the Contractor shall furnish a separate progress payment estimate for each.

(e) Along with each request for progress payments and the required estimates, the Contractor shall furnish the following certification, or payment shall not be made: I hereby certify, to the best of my knowledge and belief, that:

(1) The amounts requested are only for performance in accordance with the specifications, terms, and conditions of the contract;

(2) Payments to subcontractors and suppliers have been made from previous payments received under the contract, and timely payments will be made from the proceeds of the payment covered by this certification, in accordance with subcontract agreements; and,

(3) This request for progress payments does not include any amounts which the prime contractor intends to withhold or retain from a subcontractor or supplier in

subcontract.

Name:

Title:

Date:

(f) Except as otherwise provided in State law, the PHA shall

payments until completion and acceptance of all work under the contract; except, that if upon completion of 50 percent of the work, the Contracting Officer, after consulting with the Architect, determines that the Contractor's performance and progress are satisfactory, the PHA may make the remaining payments in full for the work subsequently completed. If the Contracting Officer subsequently determines that the Contractor's performance and progress are unsatisfactory, the PHA shall reinstate the ten (10) percent (or other percentage as provided in State law) retainage until such time as the Contracting Officer determines that performance and progress are satisfactory.

(g) The Contracting Officer may authorize material delivered on the site and preparatory work done to be taken into consideration when computing progress payments.

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Material delivered to the Contractor at locations other than the site may also be taken into consideration if the Contractor furnishes satisfactory evidence that (1) it has acquired title to such material; (2) the material is properly stored in a bonded warehouse, storage yard, or similar suitable place as may be approved by the Contracting Officer; (3) the material is insured to cover its full value; and (4) the material will be used to perform this contract. Before any progress payment which includes delivered material is made, the Contractor shall furnish such documentation as the Contracting Officer may require to assure the protection of the PHA's interest in such materials. The Contractor shall remain responsible for such stored material notwithstanding the transfer of title to the PHA.

(h) All material and work covered by progress payments made shall, at the time of payment become the sole property of the PHA, but this shall not be construed as (1) relieving the Contractor from the sole responsibility for all material and work upon which payments have been made or the restoration of any damaged work; or, (2) waiving the right of the PHA to require the fulfillment of all of the terms of the contract. In the event the work of the Contractor has been damaged by other contractors or persons other than employees of the PHA in the course of their employment, the Contractor shall restore such damaged work without cost to the PHA and to seek redress for its damage only from those who directly caused it.

(i) The PHA shall make the final payment due the Contractor under this contract after (1) completion and final acceptance of all work; and (2) presentation of release of all claims against the PHA arising by virtue of this contract, other than claims, in stated amounts, that the Contractor has specifically excepted from the operation of the release. Each such exception shall embrace no more than one claim, the basis and scope of which shall be clearly defined. The amounts for such excepted claims shall not be included in the request for final payment. A release may also be required of the assignee if the Contractor's claim to amounts payable under this contract has been assigned.

(j) Prior to making any payment, the Contracting Officer may require the Contractor to furnish receipts or other evidence of payment from all persons performing work and supplying material to the Contractor, if the Contracting Officer determines such evidence is necessary to substantiate claimed costs.

(k) The PHA shall not; (1) determine or adjust any claims for payment or disputes arising there under between the Contractor and its subcontractors or material suppliers; or, (2) withhold any moneys for the protection of the subcontractors or material suppliers. The failure or refusal of the PHA to withhold moneys from the Contractor shall in nowise impair the obligations of any surety or sureties under any bonds furnished under this contract.

28. Contract Modifications

(a) Only the Contracting Officer has authority to modify any term or condition of this contract. Any contract modification shall be authorized in writing.

(b) The Contracting Officer may modify the contract unilaterally (1) pursuant to a specific authorization stated in a contract clause (e.g., Changes); or (2) for administrative matters which do not change the rights or responsibilities of the parties (e.g., change in the PHA address). All other contract modifications shall be in the form of supplemental agreements signed by the Contractor and the Contracting Officer.

(c) When a proposed modification requires the approval of HUD prior to its issuance (e.g., a change order that exceeds the PHA's approved threshold), such modification shall not be effective until the required approval is received by the PHA.

29. Changes

(a) The Contracting Officer may, at any time, without notice to the sureties, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract including changes:
(1) In the specifications (including drawings and designs);
(2) In the method or manner of performance of the work;
(3) PHA-furnished facilities, equipment, materials, services, or site; or,
(4) Directing the acceleration in the performance of the work.

(b) Any other written order or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contracting Officer that causes a change shall be treated as a change order under this clause; provided, that the Contractor gives the Contracting Officer written notice stating (1) the date, circumstances and source of the order and (2) that the Contractor regards the order as a change order.

(c) Except as provided in this clause, no order, statement or conduct of the Contracting Officer shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.

(d) If any change under this clause causes an increase or decrease in the Contractor's cost of, or the time required for the performance of any part of the work under this contract, whether or not changed by any such order, the Contracting Officer shall make an equitable adjustment and modify the contract in writing. However, except for a adjustment based on defective specifications, no proposal for any change under paragraph (b) above shall be allowed for any costs incurred more than 20 days (5 days for oral orders) before the Contractor gives written notice as required. In the case of defective specifications for which the PHA is responsible, the equitable adjustment shall include any increased cost reasonably incurred by the Contractor in attempting to comply with the defective specifications.

(e) The Contractor must assert its right to an adjustment under this clause within 30 days after (1) receipt of a written change order under paragraph (a) of this clause, or (2) the furnishing of a written notice under paragraph (b) of this clause, by submitting a written statement describing the general nature and the amount of the proposal. If the facts justify it, the Contracting Officer may extend the period for submission. The proposal may be included in the notice required under paragraph (b) above. No proposal by the Contractor for an equitable adjustment shall be allowed if asserted after final payment under this contract.

(f) The Contractor's written proposal for equitable adjustment shall be submitted in the form of a lump sum proposal supported with an itemized breakdown of all increases and decreases in the contract in at least the following details:

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(1) Direct Costs. Materials (list individual items, the quantity and unit cost of each, and the aggregate cost); Transportation and delivery costs associated with materials; Labor breakdowns by hours or unit costs (identified with specific work to be performed); Construction equipment exclusively necessary for the change; Costs of preparation and/ or revision to shop drawings resulting from the change; Worker's Compensation and Public Liability Insurance; Employment taxes under FICA and FUTA; and, Bond Costs when size of change warrants revision.

(2) Indirect Costs. Indirect costs may include overhead, general and administrative expenses, and fringe benefits not normally treated as direct costs.

(3) Profit. The amount of profit shall be negotiated and may vary according to the nature, extent, and complexity of the work required by the change. The allowability of the direct and indirect costs shall be determined in accordance with the Contract Cost Principles and Procedures for Commercial Firms in Part 31 of the Federal Acquisition Regulation (48 CFR 1-31), as implemented by HUD Handbook 2210.18, in effect on the date of this contract. The Contractor shall not be allowed a profit on the profit received by any subcontractor. Equitable adjustments for deleted work shall include a credit for profit and may include a credit for indirect costs. On proposals covering both increases and decreases in the amount of the contract, the application of indirect costs and profit shall be on the net-change in direct costs for the Contractor or subcontractor performing the work.

(g) The Contractor shall include in the proposal its request for time extension (if any), and shall include sufficient information and dates to demonstrate whether and to what extent the change will delay the completion of the contract in its entirety.

(h) The Contracting Officer shall act on proposals within 30 days after their receipt, or notify the Contractor of the date when such action will be taken.

(i) Failure to reach an agreement on any proposal shall be a dispute under the clause entitled Disputes herein. Nothing in this clause, however, shall excuse the Contractor from proceeding with the contract as changed.

(j) Except in an emergency endangering life or property, no change shall be made by the Contractor without a prior order from the Contracting Officer.

30. Suspension of Work

(a) The Contracting Officer may order the Contractor in writing to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Contracting Officer determines appropriate for the convenience of the PHA.

(b) If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contracting Officer in the administration of this contract, or (2) by the Contracting Officer's failure to act within the time specified (or within a reasonable time if not specified) in this contract an adjustment shall be made for any increase in the cost of performance of the contract (excluding profit) necessarily caused by such unreasonable suspension, delay, or interruption and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor or for which any equitable adjustment is provided for or excluded under any other provision of this contract.

(c) A claim under this clause shall not be allowed (1) for any costs incurred more than 20 days before the Contractor shall have notified the Contracting Officer in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and, (2) unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

31. Disputes

(a) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract. A claim arising under the contract, unlike a claim relating to the contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim. The submission may be converted to a claim by complying with the requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

(b) Except for disputes arising under the clauses entitled Labor Standards - Davis Bacon and Related Acts, herein, all disputes arising under or relating to this contract, including any claims for damages for the alleged breach thereof which are not disposed of by agreement, shall be resolved under this clause.

(c) All claims by the Contractor shall be made in writing and submitted to the Contracting Officer for a written decision. A claim by the PHA against the Contractor shall be subject to a written decision by the Contracting Officer.

(d) The Contracting Officer shall, within 60 (unless otherwise indicated) days after receipt of the request, decide the claim or notify the Contractor of the date by which the decision will be made.

(e) The Contracting Officer's decision shall be final unless the Contractor (1) appeals in writing to a higher level in the PHA in accordance with the PHA's policy and procedures, (2) refers the appeal to an independent mediator or arbitrator, or (3) files suit in a court of competent jurisdiction. Such appeal must be made within (30 unless otherwise indicated) days after receipt of the Contracting Officer's decision.

(f) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under or relating to the contract, and comply with any decision of the Contracting Officer.

32. Default

(a) If the Contractor refuses or fails to prosecute the work, or any separable part thereof, with the diligence that will insure its completion within the time specified in this contract, or any extension thereof, or fails to complete said work within this time, the Contracting Officer may, by written notice to the Contractor, terminate the right to

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proceed with the work (or separable part of the work) that has been delayed. In this event, the PHA may take over the work and complete it, by contract or otherwise, and may take possession of and use any materials, equipment, and plant on the work site necessary for completing the work. The Contractor and its sureties shall be liable for any damage to the PHA resulting from the Contractor's refusal or failure to complete the work within the specified time, whether or not the Contractor's right to proceed with the work is terminated. This liability includes any increased costs incurred by the PHA in completing the work.

(b) The Contractor's right to proceed shall not be terminated or the Contractor charged with damages under this clause if—

(1) The delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (i) acts of God, or of the public enemy, (ii) acts of the PHA or other governmental entity in either its sovereign or contractual capacity, (iii) acts of another contractor in the performance of a contract with the PHA, (iv) fires, (v) floods, (vi) epidemics, (vii) quarantine restrictions, (viii) strikes, (ix) freight embargoes, (x) unusually severe weather, or (xi) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Contractor and the subcontractors or suppliers; and

(2) The Contractor, within days (10 days unless otherwise indicated) from the beginning of such delay (unless extended by the Contracting Officer) notifies the Contracting Officer in writing of the causes of delay. The Contracting Officer shall ascertain the facts and the extent of the delay. If, in the judgment of the Contracting Officer, the findings of fact warrant such action, time for completing the work shall be extended by written modification to the contract. The findings of the Contracting Officer shall be reduced to a written decision which shall be subject to the provisions of the Disputes clause of this contract.

(c) If, after termination of the Contractor's right to proceed, it is determined that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been for convenience of the PHA.

33. Liquidated Damages

(a) If the Contractor fails to complete the work within the time specified in the contract, or any extension, as specified in the clause entitled Default of this contract, the Contractor shall pay to the PHA as liquidated damages, the sum of $ _____ Contracting Officer insert amount] for each day of delay. If different completion dates are specified in the contract for separate parts or stages of the work, the amount of liquidated damages shall be assessed on those parts or stages which are delayed. To the extent that the Contractor's delay or nonperformance is excused under another clause in this contract, liquidated damages shall not be due the PHA. The Contractor remains liable for damages caused other than by delay.

(b) If the PHA terminates the Contractor's right to proceed, the resulting damage will consist of liquidated damages until such reasonable time as may be required for final completion of the work together with any increased costs occasioned the PHA in completing the work.

(c) If the PHA does not terminate the Contractor's right to proceed, the resulting damage will consist of liquidated damages until the work is completed or accepted.

34. Termination for Convenience

(a) The Contracting Officer may terminate this contract in whole, or in part, whenever the Contracting Officer determines that such termination is in the best interest of the PHA. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which the performance of the work under the contract is terminated, and the date upon which such termination becomes effective.

(b) If the performance of the work is terminated, either in whole or in part, the PHA shall be liable to the Contractor for reasonable and proper costs resulting from such termination upon the receipt by the PHA of a properly presented claim setting out in detail: (1) the total cost of the work performed to date of termination less the total amount of contract payments made to the Contractor; (2) the cost (including reasonable profit) of settling and paying claims under subcontracts and material orders for work performed and materials and supplies delivered to the site, payment for which has not been made by the PHA to the Contractor or by the Contractor to the subcontractor or supplier; (3) the cost of preserving and protecting the work already performed until the PHA or assignee takes possession thereof or assumes responsibility therefore; (4) the actual or estimated cost of legal and accounting services reasonably necessary to prepare and present the termination claim to the PHA; and (5) an amount constituting a reasonable profit on the value of the work performed by the Contractor.

(c) The Contracting Officer will act on the Contractor's claim within days (60 days unless otherwise indicated) of receipt of the Contractor's claim.

(d) Any disputes with regard to this clause are expressly made subject to the provisions of the Disputes clause of this contract.

35. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the PHA under the contract may be assigned to a bank, trust company, or other financial institution. Such assignments of claims shall only be made with the written concurrence of the Contracting Officer. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership as approved by the Contracting Officer.

36. Insurance

(a) Before commencing work, the Contractor and each subcontractor shall furnish the PHA with certificates of insurance showing the following insurance is in force and will insure all operations under the Contract:

(1) Workers' Compensation, in accordance with state or Territorial Workers' Compensation laws.

(2) Commercial General Liability with a combined single limit for bodily injury and property damage of not less than $ 1,000,000 [Contracting Officer insert amount]

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per occurrence to protect the Contractor and each subcontractor against claims for bodily injury or death and damage to the property of others. This shall cover the use of all equipment, hoists, and vehicles on the site(s) not covered by Automobile Liability under (3) below. If the Contractor has a "claims made" policy, then the following additional requirements apply: the policy must provide a "retroactive date" which must be on or before the execution date of the Contract; and the extended reporting period may not be less than five years following the completion date of the Contract.

(3) Automobile Liability on owned and non -owned motor vehicles used on the site(s) or in connection therewith for a combined single limit for bodily injury and property damage of not less than $ 1,000,000 [Contracting Officer insert amount] per occurrence.

(b) Before commencing work, the Contractor shall furnish the PHA with a certificate of insurance evidencing that Builder's Risk (fire and extended coverage) Insurance on all work in place and/or materials stored at the building site(s), including foundations and building equipment, is in force. The Builder's Risk Insurance shall be for the benefit of the Contractor and the PHA as their interests may appear and each shall be named in the policy or policies as an insured. The Contractor in installing equipment supplied by the PHA shall carry insurance on such equipment from the time the Contractor takes possession thereof until the Contract work is accepted by the PHA. The Builder's Risk Insurance need not be carried on excavations, piers, footings, or foundations until such time as work on the superstructure is started. It need not be carried on landscape work. Policies shall furnish coverage at all times for the full cash value of all completed construction, as well as materials in place and/or stored at the site(s), whether or not partial payment has been made by the PHA. The Contractor may terminate this insurance on buildings as of the date taken over for occupancy by the PHA. The Contractor is not required to carry Builder's Risk Insurance for modernization work which does not involve structural alterations or additions and where the PHA's existing fire and extended coverage policy can be endorsed to include such work.

(c) All insurance shall be carried with companies which are financially responsible and admitted to do business in the State in which the project is located. If any such insurance is due to expire during the construction period, the Contractor (including subcontractors, as applicable) shall not permit the coverage to lapse and shall furnish evidence of coverage to the Contracting Officer. All certificates of insurance, as evidence of coverage, shall provide that no coverage may be canceled or non-renewed by the insurance company until at least 30 days prior written notice has been given to the Contracting Officer.

37. Subcontracts

(a) Definitions. As used in this contract -

(1) "Subcontract" means any contract, purchase order, or other purchase agreement, including modifications and change orders to the foregoing, entered into by a subcontractor to furnish supplies, materials, equipment, and services for the performance of the prime contract or a subcontract.

(2) "Subcontractor" means any supplier, vendor, or firm that furnishes supplies, materials, equipment, or services to or for the Contractor or another subcontractor.

(b) The Contractor shall not enter into any subcontract with any subcontractor who has been temporarily denied participation in a HUD program or who has been suspended or debarred from participating in contracting programs by any agency of the United States Government or of the state in which the work under this contract is to be performed.

(c) The Contractor shall be as fully responsible for the acts or omissions of its subcontractors, and of persons either directly or indirectly employed by them as for the acts or omissions of persons directly employed by the Contractor.

(d) The Contractor shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this contract insofar as they are applicable to the work of subcontractors.

(e) Nothing contained in this contract shall create any contractual relationship between any subcontractor and the PHA or between the subcontractor and HUD.

38. Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms

The Contractor shall take the following steps to ensure that, whenever possible, subcontracts are awarded to small business firms, minority firms, women's business enterprises, and labor surplus area firms:

(a) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(b) Ensuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;

(c) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;

(d) Establishing delivery schedules, where the requirements of the contract permit, which encourage participation by small and minority businesses and women's business enterprises; and

(e) Using the services and assistance of the U.S. Small Business Administration, the Minority Business Development Agency of the U.S. Department of Commerce, and State and local governmental small business agencies.

39. Equal Employment Opportunity

During the performance of this contract, the Contractor/ Seller agrees as follows:

(a) The Contractor/Seller shall not discriminate against any employee or applicant for employment because of of race color, religion, sex, sexual orientation, gender identity, disability, or national origin.

(b) The Contractor/Seller shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. Such action shall include, but not be limited to, (1) employment, (2) upgrading demotion, (4) transfer, (5) recruitment or recruitment advertising, (6) layoff or termination, (7) rates of pay or other forms of compensation, and (8) selection for training,including apprenticeship

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(c) The Contractor/Seller agrees to post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.
(d) The Contractor/Seller shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor/Seller, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
(e) The Contractor/Seller shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
(f) The Contractor/Seller shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
(g) The Contractor/Seller shall furnish all information and reports required by Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor/Seller shall permit

access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(h) In the event of a that the Contractor/Seller is in noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor/seller may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(i)The contractor/seller will include the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub[contractor/seller] or vendor. The [contractor/seller] will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions in cluding sanctions for noncompliance: Provided, however, that in the event the [contractor/seller] becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the [contractor/seller] may request the United States to enter into such litigation to protect the interests of the United States.

(j) Compliance with the requirements of this clause shall be to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act and the Indian Preference clause of this contract.

40. Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.

(a) The work to be performed under this contract 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 contract agree to comply with HUD's regulations in 24 CFR Part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 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 prioritization requirements and shall state the minimum percentages of labor hour requirements established in the Benchmark Notice (FR-6085-N-04).
(d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, 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 75. 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 75.
(e) Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
(f) Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of 24 CFR Part 75.

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41. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America shall be admitted to any share or part of this contract or to any benefit that may arise therefrom.

42. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the PHA, no member of the governing body of the locality in which the project is situated, no member of the governing body of the locality in which the PHA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

43. Limitations on Payments made to Influence Certain Federal Financial Transactions

(a) The Contractor agrees to comply with Section 1352 of Title 31, United States Code which prohibits the use of **Acts** Federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: 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; or the modification of any Federal contract, grant, loan, or cooperative agreement.

(b) The Contractor further agrees to comply with the requirement of the Act to furnish a disclosure (OMB Standard Form LLL, Disclosure of Lobbying Activities) if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be 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 a Federal contract, grant, loan, or cooperative agreement.

44. Royalties and Patents

The Contractor shall pay all royalties and license fees. It shall defend all suits or claims for infringement of any patent rights and shall save the PHA harmless from loss on account thereof; except that the PHA shall be responsible for all such loss when a particular design, process or the product of a particular manufacturer or manufacturers is specified and the Contractor has no reason to believe that the specified design, process, or product is an infringement. If, however, the Contractor has reason to believe that any design, process or product specified is an infringement of a patent, the Contractor shall promptly notify the Contracting Officer. Failure to give such notice shall make the Contractor responsible for resultant loss.

45. Examination and Retention of Contractor's Records

(a) The PHA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

(b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding $10,000.

(c) The periods of access and examination in paragraphs (a) and (b) above for records relating to (1) appeals under the Disputes clause of this contract, (2) litigation or settlement of claims arising from the performance of this contract, or (3) costs and expenses of this contract to which the PHA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

46. Labor Standards - Davis-Bacon and Related

If the total amount of this contract exceeds $2,000, the Federal labor standards set forth in the clause below shall apply to the development or construction work to be performed under the contract.

(a) Minimum Wages.

(1) All laborers and mechanics employed under this contract in the development or construction of the project(s) involved will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the regular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits in the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall

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be posted at all times by the Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(2) (i) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when all the following criteria have been met: (A) The work to be performed by the classification requested is not performed by a classification in the wage determination; and (B) The classification is utilized in the area by the construction industry; and (C) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(ii) If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employee Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(iii) In the event the Contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator of the Wage and Hour Division for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(iv) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (a)(2)(ii) or (iii) of this clause shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in classification.

(3) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(4) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program; provided, that the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(b) Withholding of funds. HUD or its designee shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the Contractor under this contract or any other Federal contract with the same prime Contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime Contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working in the construction or development of the project, all or part of the wages required by the contract, HUD or its designee may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the Contractor, disburse such amounts withheld for and on account of the Contractor or subcontractor to the respective employees to whom they are due.

(c) Payrolls and basic records.

(1) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working in the construction or development of the project. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found, under 29 CFR 5.5(a)(1)(iv), that the wages of any laborer or mechanic include the amount of costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

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(2) (i) The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Contracting Officer for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under subparagraph (c)(1) of this clause. This information may be submitted in any form desired. Optional Form WH-347 (Federal Stock Number 029-005-00014-1) is available for this purpose and may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. The Contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1214-0149.)

(ii) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(A) That the payroll for the payroll period contains the information required to be maintained under paragraph (c) (1) of this clause and that such information is correct and complete;

(B) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3; and

(C) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(iii) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirements for submission of the "Statement of Compliance" required by subparagraph (c)(2)(ii) of this clause.

(iv) The falsification of any of the above certifications may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code.

(3) The Contractor or subcontractor shall make the records required under subparagraph (c)(1) available for inspection, copying, or transcription by authorized representatives of HUD or its designee, the Contracting Officer, or the Department of Labor and shall permit such representatives to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(d) (1) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship and Training, Employer and Labor Services (OATELS), or with a State Apprenticeship Agency recognized by OATELS, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by OATELS or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the Contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in this paragraph, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator of the Wage and Hour Division determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event OATELS, or a State Apprenticeship Agency recognized by OATELS, withdraws approval of an apprenticeship program, the Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(2) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under

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the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed in the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate in the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate in the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate in the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(3) Equal employment opportunity. The utilization of apprentices, trainees, and journeymen under this clause shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

(e) Compliance with Copeland Act requirements. The Contractor shall comply with the requirements of 29 CFR Part 3, which are hereby incorporated by reference in this contract.

(f) Contract termination; debarment. A breach of this contract clause may be grounds for termination of the contract and for debarment as a Contractor and a subcontractor as provided in 29 CFR 5.12.

(g) Compliance with Davis-Bacon and related Act requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

(h) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this clause shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the PHA, HUD, the U.S. Department of Labor, or the employees or their representatives.

(i) Certification of eligibility.

(1) By entering into this contract, the Contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a United States Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(3) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. 1001.

(j) Contract Work Hours and Safety Standards Act. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics, including watchmen and guards, shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the provisions set forth in subparagraph (j)(1) of this clause, the Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic (including watchmen and guards) employed in violation of the provisions set forth in subparagraph (j)(1) of this clause, in the sum of $27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by provisions set forth in subparagraph (j)(1) of this clause. DOL posts current fines at: https://www.dol.gov/whd/govcontracts/cwhssa.htm#cmp

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor under any such contract or any Federal contract with the same prime Contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions set forth in subparagraph (j)(2) of this clause.

(k) Subcontracts. The Contractor or subcontractor shall insert in any subcontracts all the provisions contained in this clause, and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these provisions in any lower tier subcontracts. The prime Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all these provisions.

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47. Non-Federal Prevailing Wage Rates

(a) Any prevailing wage rate (including basic hourly rate and any fringe benefits), determined under State or tribal law to be prevailing, with respect to any employee in any trade or position employed under the contract, is inapplicable to the contract and shall not be enforced against the Contractor or any subcontractor, with respect to employees engaged under the contract whenever such non-Federal prevailing wage rate exceeds:

(1) The applicable wage rate determined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 3141 et seq.) to be prevailing in the locality with respect to such trade;

(b) An applicable apprentice wage rate based thereon specified in an apprenticeship program registered with the U.S. Department of Labor (DOL) or a DOL-recognized State Apprenticeship Agency; or

(c) An applicable trainee wage rate based thereon specified in a DOL-certified trainee program.

48. Procurement of Recovered Materials.

(a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

( ) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of $10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of $10,000 of the item both under and outside that contract.

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EXHIBIT "C"

ADDITIONAL GENERAL PROVISIONS

1. **DEFINITIONS:** The following terms shall be given the meaning shown, unless context requires otherwise or a unique meaning is otherwise specified.

   a. **Business Entity"** means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, sole proprietorship, joint stock company, consortium, or other private legal entity recognized by statute.

   b. **"Contractor"** means the Business Entity with whom the Housing Authority of the County of San Bernardino enters into this Agreement. Contractor shall be synonymous with "supplier", "vendor" or other similar term.

   c. **"Firm Price"** means the Agreement requires the delivery of products or services at a specific price, fixed at the time of the Agreement and not subject to any adjustment on the basis of Contractor's cost experience in performing under the terms of the Agreement.

   d. **"Unit Cost" means the Agreement requires the delivery of products or services at a specific unit price, fixed at the time of the Agreement, for the agreed upon increment of product of services rendered and is not subject to any adjustment to price on the basis of Contractor's cost experience in performing under the terms of the Agreement. Only the quantity of products or services may change, and only at the HACSB's discretion which must be provided to Contractor in writing.**

   e. **"Unit Cost, Not-to-Exceed" means the Agreement requires the delivery of products or services at a specific unit price, in which the entire Agreement may not exceed the total fixed amount agreed upon.**

   f. **"HACSB"** means the Housing Authority of the County of San Bernardino, its employees and authorized representatives, including without limitation any department, agency, or other unit of HACSB.

2. **COMPLIANCE WITH STATUTES AND REGULATIONS:** Contractor warrants and certifies that in the performance of this Agreement, it will comply with all applicable statutes, rules, regulations and orders of the United States, the State of California and HACSB and agrees to indemnify HACSB against any loss, cost, damage or liability by reason of Contractor's violation of this provision.

3. **CONTRACTOR'S POWER AND AUTHORITY:** Contractor warrants that it has full power and authority to enter into and perform its obligations under this Agreement, and will hold HACSB harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) arising out of any breach of this Agreement. Further, Contractor agrees that it will not enter into any arrangement with any third party which might abridge any rights of HACSB under this Agreement.

4. **TRANSPORTATION COSTS AND OTHER FEES OR EXPENSES:** No charge for delivery, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by HACSB unless expressly included and itemized in the Agreement.

   a. Contractor must strictly follow Agreement requirements regarding Free on Board (F.O.B.), freight terms and routing instructions. HACSB may permit use of an alternate carrier at no additional cost to HACSB with advance written authorization of HACSB.

   b. If "prepay and add" is selected, supporting freight bills are required when over $50, unless an exact freight charge is approved by HACSB n and a waiver is granted in writing and in advance of shipping.

   c. On "F.O.B. Shipping Point" transactions, should any shipments under the Agreement be received by HACSB in a damaged condition and any related freight loss and damage claims filed against the carrier or carriers be wholly or partially declined by the carrier or carriers with the inference that damage was the result of the act of the shipper such as inadequate packaging or loading or some inherent defect in the equipment and/or material, contractor, on request of HACSB, shall at Contractor's own expense assist HACSB in establishing carrier liability by supplying evidence that the equipment and/or material was properly constructed, manufactured, packaged, and secured to withstand normal transportation conditions.

5. **TIME IS OF THE ESSENCE:** Time is of the essence in this Agreement.

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6. **DELIVERY:** Contractor shall strictly adhere to the delivery and completion schedules specified in the Agreement. Time, if stated as a number of days, shall mean calendar days unless otherwise specified. The quantities specified herein are the only quantities required. If Contractor delivers in excess of the quantities specified herein, HACSB shall not be required to make any payment for the excess goods, and may return them to Contractor, at Contractor's expense, or utilize any other rights available to HACSB at law or in equity.

7. **SUBSTITUTIONS:** Substitution of goods may not be tendered, without advance written consent of HACSB. Contractor shall not use any specification in lieu of those contained in the Agreement, without written consent of HACSB.

8. **INSPECTION, ACCEPTANCE AND REJECTION:**

a. Contractor and its subcontractors will provide and maintain a quality assurance system acceptable to HACSB covering goods and services under this Agreement and will tender to HACSB only those goods that have been inspected and found to conform to the requirements of this Agreement. Contractor will keep records evidencing inspections and their result, and will make these records available to HACSB during performance of the Work and for three years after final payment. Contractor shall permit HACSB to review procedures, practices, processes and related documents to determine the acceptability of Contractor's quality assurance system or other business practices related to performance of the Work.

b. All goods may be subject to inspection and test by HACSB or its authorized representatives.

c. Contractor and its subcontractors shall provide all reasonable facilities for the safety and convenience of inspectors at no additional cost to HACSB. Contractor shall furnish to inspectors all information and data as may be reasonably required to perform their inspection.

d. All goods to be delivered hereunder may be subject to final inspection, test and acceptance by HACSB at destination, notwithstanding any payment or inspection at source.

e. HACSB shall give written notice of rejection of goods delivered or services performed hereunder within a reasonable time after receipt of such goods or performance of such services. Such notice of rejection will state the respects in which the goods do not substantially conform to their specifications. If HACSB does not provide such notice of rejection within thirty (30) days, unless otherwise specified in the Statement of Work, of delivery, such goods and services will be deemed to have been accepted. Acceptance by HACSB will be final and irreversible, except as it relates to latent defects, fraud, and gross mistakes amounting to fraud. Acceptance shall not be construed to waive any warranty rights that HACSB might have at law or by express reservation in this Agreement with respect to any nonconformity.

9. **SAMPLES:**

a. Samples of items may be required by HACSB for inspection and specification testing and must be furnished free of expense to HACSB. The samples furnished must be identical in all respects to the products bid and/or specified in the Agreement.

b. Samples, if not destroyed by tests, may, upon request made at the time the sample is furnished, be returned at Contractor's expense.

10. **WARRANTY:** Unless otherwise specified, the warranties contained in this Agreement begin after acceptance has occurred.

a. Contractor warrants that goods and services furnished hereunder will conform to the requirements of this Agreement (including all descriptions, specifications and drawings made a part hereof), and such goods will be merchantable, fit for their intended purposes, free from all defects in materials and workmanship and to the extent not manufactured pursuant to detailed designs furnished by HACSB, free from defects in design. HACSB's approval of designs or specifications furnished by Contractor shall not relieve Contractor of its obligations under this warranty.

b. All warranties, including special warranties specified elsewhere herein, shall inure to HACSB, its successors, assigns, customer agencies and users of the goods or services.

11. **SAFETY AND ACCIDENT PREVENTION:** In performing the Work under this Agreement on HACSB premises, Contractor shall conform to any specific safety requirements contained in the Agreement or as required by law or regulation. Contractor shall take any additional precautions as HACSB may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless

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promptly corrected, shall be grounds for termination of this Agreement in accordance with the default provisions hereof.

12. ACCIDENT PREVENTION: Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions issued by the Industrial Accident Commission of the State of California.

13. INSURANCE: Contractor shall not commence Work under this Agreement until all insurance required under this paragraph has been obtained and such insurance has been approved by HACSB, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish HACSB with satisfactory proof of the carriage of insurance required, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. Any policy of insurance required of Contractor under this Agreement shall also contain an endorsement providing that thirty (30) days' notice must be given in writing to HACSB of any pending change in the limits of liability or of any cancellation or modification of the policy. All insurance required hereunder shall be issued by a California admitted insurance carrier.

The insurance required to be carried by Contractor hereunder shall include:

a. Compensation Insurance and Employer's Liability Insurance. Contractor shall take out and maintain during the entire term of this Agreement, Workers' Compensation Insurance and Employer's Liability Insurance for all of employees employed at the site of the project and, in case any work is sublet, Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance and Employer's Liability Insurance for all of the latter's employees unless such employees are covered by the protection afforded by Contractor.

In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the Labor Code:

> "I am aware of the provision of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

b. General Liability Insurance. Contractor, at its own cost and expense, shall maintain personal injury liability and property damage insurance for the entire term of this Agreement in the amount of One Million and No/100 Dollars ($1,000,000.00) per occurrence. Such coverage shall include, but shall not be limited to, protection against claims arising from, and damage to property resulting from, activities contemplated under this Agreement. A CG20101185 will be required for construction projects. Waiver of Subrogation needs to be included. Such insurance shall be with insurers and under forms of policies satisfactory in all respects to HACSB and shall provide that notice must be given to HACSB at least thirty (30) days prior to cancellation or material change. The following endorsements shall be attached to the policy:

Policy shall cover on an "occurrence" basis. Policy must cover personal injuries as well as bodily injuries. Exclusion of contractual liability must be eliminated from personal injury endorsement.

Broad form property damage endorsement must be attached. HACSB is to be named as an additional insured on any contracts of insurance under this paragraph b. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code. The policies of insurance shall be considered primary insurance before any policies of insurance maintained by HACSB. Contractor shall be named as an additional insured with respect to such general liability insurance policy.

c. Automobile Liability. Contractor, at its own cost and expense, shall maintain automobile insurance for the period covered by the Contract in the amount of One Million and No/100 Dollars ($1,000,000.00) combined single limit coverage. Contractor shall be named as an additional insured with respect to such automobile liability insurance policy.

d. Pollution Environmental Impairment, and/or Asbestos Pollution Liability coverage in the amount of One Million and No/100 Dollars ($1,000,000.00) (only applies to abatement contractor).

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14. FORCE MAJEURE: Contractor shall be excused for performing the Work hereunder in the event that Contractor is unable to perform the Work for one of the following reasons:

a. Acts of God or of the public enemy, and

b. Acts of the federal, state or local government in either its sovereign or contractual capacity.

Such delay shall be for the period of time that Contractor is delayed from performing the Work as a direct result of one of the foregoing reasons. Contractor shall provide HACSB notice within three (3) days of any such force majeure event.

15. CONTRACTOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:

a. Contractor shall be liable for damages arising out of injury to the person and/or damage to the property of HACSB, employees of HACSB, persons designated by HACSB for training, or any other person(s) other than agents or employees of Contractor, designated by HACSB for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the goods either at Contractor's site or at HACSB's place of business, provided that the injury or damage was caused by the fault or negligence of Contractor.

b. Contractor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by Contractor, or for damage to alterations or attachments that may result from the normal operation and maintenance of the goods provided by Contractor during the Agreement.

16. INVOICES: Unless otherwise specified, invoices shall be sent to the address set forth herein. Invoices shall be submitted in triplicate and shall include the contract number; release order number (if applicable); item number; unit price, extended item price and invoice total amount. The State of California and other sales tax and/or use tax shall be itemized separately and added to each invoice as applicable.

17. REQUIRED PAYMENT DATE: Payment will be made in accordance with the provisions of the Agreement for work completed through the date of invoice. HACSB will pay properly submitted, undisputed invoices not more than thirty (30) days after (i) the date of acceptance of goods or performance of services; or (ii) receipt of an undisputed invoice, whichever is later.

18. TAXES: HACSB will only pay for any state or local sales or use taxes on the services rendered or goods supplied to HACSB pursuant to this Agreement.

19. NEWLY MANUFACTURED GOODS: All goods furnished under this contract shall be newly manufactured goods; used or reconditioned goods are prohibited, unless otherwise specified.

20. NEWS RELEASES: Unless otherwise exempted, news releases pertaining to this Agreement shall not be made without prior written approval of HACSB.

21. PATENT, COPYRIGHT and TRADE SECRET INDEMNITY:

a. Contractor shall hold HACSB, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with the Agreement.

b. Contractor may be required to furnish a bond to HACSB against any and all loss, damage, costs, expenses, claims and liability for patent, copyright and trade secret infringement.

c. Contractor, at its own expense, shall defend any action brought against HACSB to the extent that such action is based upon a claim that the goods or software supplied by Contractor or the operation of such goods pursuant to a current version of Contractor supplied operating software infringes a United States patent or copyright or violates a trade secret. Contractor shall pay those costs and damages finally awarded against HACSB in any such action. Such defense and payment shall be conditioned on the following:

i. That Contractor shall be notified within a reasonable time in writing by HACSB of any notice of such claim; and,

ii. That Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; provided, however, that when principles of government or public law are involved, HACSB shall have the option to participate in such action at its own expense.

d. Should the goods or software, or the operation thereof, become, or in Contractor's opinion are likely to become, the subject of a claim of infringement of a United States patent or copyright or a trade secret, HACSB shall permit Contractor at its option and expense either to procure for HACSB the right to continue using the goods or software, or to replace or modify the same so that they become non-infringing. If none of these options can reasonably be taken, or if the use of such goods or software by HACSB shall be prevented by injunction, Contractor agrees to take back such goods or software and make every reasonable effort to assist HACSB in procuring substitute goods or software. If, in the sole opinion of HACSB, the return of such infringing goods or software makes the retention of other goods or software acquired from Contractor under this Agreement impractical, HACSB shall then have the option of terminating such Agreement, or applicable portions thereof, without penalty or termination charge. Contractor agrees to take back such goods or software and refund any sums HACSB has paid Contractor.

e. Contractor shall have no liability to HACSB under any provision of this clause with respect to any claim of patent, copyright or trade secret infringement which is based upon:

i. The combination or utilization of goods furnished hereunder with equipment or devices not made or furnished by Contractor; or,

ii. The operation of equipment furnished by Contractor under the control of any operating software other than, or in addition to, the current version of Contractor-supplied operating software; or

iii. The modification by HACSB of the equipment furnished hereunder or of the software; or

iv. The combination or utilization of software furnished hereunder with non-Contractor supplied software.

f. Contractor certifies that it has appropriate systems and controls in place to ensure that HACSB funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

g. The foregoing states the entire liability of Contractor to HACSB with respect to infringement of patents, copyrights or trade secrets.

22. STOP WORK:

a. HACSB may, at any time, by written Stop Work order ("Stop Work Order") to Contractor, require Contractor to stop all, or any part, of the Work called for by this Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this clause. Upon receipt of the Stop Work Order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Contractor, or within any extension of that period to which the parties shall have agreed, HACSB shall either:

i. Cancel the Stop Work Order; or

ii. Terminate the Work covered by the Stop Work Order as provided for in the termination for default or the voluntary termination provision of this Agreement.

iii. If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, Contractor shall resume work. HACSB shall make an equitable adjustment in the delivery schedule, the price, or both, and the Agreement shall be modified, in writing, accordingly, if:

1. The Stop Work Order results in an increase in the time required for, or in Contractor's cost properly allocable to the performance of any part of this Agreement; and

2. Contractor asserts its right to an equitable adjustment within thirty (30) days after the end of the period of work stoppage; provided that if HACSB decides the facts justify the action, HACSB may receive and act upon a proposal submitted at any time before final payment under this Agreement.

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b. If a Stop Work Order is not canceled and the Work covered by the Stop Work Order is terminated in accordance with the provision entitled Voluntary Termination, HACSB shall allow reasonable costs resulting from the Stop Work Order in arriving at the termination settlement.

c. HACSB shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this clause.

23. COVENANT AGAINST GRATUITIES: Contractor warrants that it complies with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3), and that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of HACSB with a view toward securing the Agreement or securing favorable treatment with respect to any determinations concerning the performance of the Agreement. For breach or violation of this warranty, HACSB shall have the right to terminate the Agreement, either in whole or in part, and any loss or damage sustained by HACSB in procuring on the open market any items which Contractor agreed to supply shall be borne and paid for by Contractor. The rights and remedies of HACSB provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or in equity.

24. COMPLIANCE WITH DAVIS-BACON ACT AND RELATED ACTS: For construction agreements in excess of $2,000, Contractor certifies that it complies with the Davis-Bacon Act (40 U.S.C. 3141 et seq.) as supplemented by Department of Labor regulations (29 CFR Part 5). Contractor must also comply with the Copeland Act (40 U.S.C. 3145 et seq.), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701 et seq.). Unless otherwise indicated in the Statement of Work, Contractors of HACSB are required to pay Davis-Bacon wage rates for all "construction contracts and related subcontracts in excess of $2000," which means, for such jobs, the wage rates paid must be equal to or exceed the listed applicable Davis-Bacon wage rate. Compliance with this clause also means that Contractor may be subject to completing certain reports and to audits by HACSB and the Department of Housing and Urban Development. Such reports and information relating to compliance can be obtained at the Internet website: http://www.govinfo.gov. As required by 29 C.F.R. § 5.5 Contractor shall comply with the following and Contractor shall include the provisions of this clause (identified in italics for easier reference) in all subcontracts to perform work under this Agreement.

1) Minimum wages.
(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis–Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis–Bacon poster (WH–1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.
(ii)(A) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:
(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
(2) The classification is utilized in the area by the construction industry; and
(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

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(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis–Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The (write in name of Federal Agency or the loan or grant recipient) shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis–Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis–Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis–Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency). The payrolls submitted shall set out

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accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH–347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/esa/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency), the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH–347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the (write the name of the agency) or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees—

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of

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the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the (write in the name of the Federal agency) may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis–Bacon and Related Act requirements. All rulings and interpretations of the Davis–Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis–Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis–Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

(b) Contract Work Hours and Safety Standards Act. The Agency Head shall cause or require the contracting officer to insert the following clauses set forth in paragraphs (b)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required

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by § 5.5(a) or § 4.6 of part 4 of this title. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.
(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of $26 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.
(3) Withholding for unpaid wages and liquidated damages. The (write in the name of the Federal agency or the loan or grant recipient) shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.
(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

HACSB shall have the right to audit Contractor, at any time, in order to ensure compliance with the requirements of this Section. In connection therewith, Contractor agrees to maintain accurate books and records in connection with the Work, and all payments made or received by Contractor pursuant to this Agreement, and to provide such information to HACSB, within five (5) business days of any request by HACSB. In addition, Contractor shall provide, upon two (2) business days request, information to HACSB of each and every employee retained by Contractor in connection with the Work, and shall permit HACSB to interview any such employees, contractors or subcontractors. Contractor agrees that all maintenance laborers and mechanics employed by it in connection with the performance of the Work shall be paid unconditionally and not less often than semi-monthly, and without subsequent deduction (except as otherwise provided by law or regulations), the full amount of wages due at time of payment computed at rates not less then those contained in the wage determination of the Secretary of Housing and Urban Development. Such laborers and mechanics shall be paid the appropriate wage rate on the wage determination for the classification of work actually performed, without regard to skill. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that Contractor's payroll records accurately set forth the time spent in each classification in which the work is performed. The wage determination, including any additional classifications and wage rates approved by HUD shall be posted at all times by Contractor and its subcontractors at the site of the Work in a prominent and accessible place where it can be easily seen by the workers.

25. CALIFORNIA PREVAILING WAGE (IF AGREEMENT PRICE IS LESS THAN $2,000): In the event the Agreement Price is less than $2,000, Contractor agrees to comply with all prevailing rate requirements of the California Labor Code. HACSB shall have the right to audit and inspect Contractor's books and records, and interview Contractor's employees, contractors and subcontractors, all according to the same provisions set forth in Section 24 above.

26. EQUAL EMPLOYMENT OPPORTUNITY: For all construction agreements in excess of $10,000, Contractor certifies its compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Chapter 60).

27. NONDISCRIMINATION CLAUSE:

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a. During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Council implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4.1 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

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

28. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor swears under penalty of perjury that no more than one final, unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of the National Labor Relations Board. This provision is required by, and shall be construed in accordance with, Public Contract Code Section 10296.

29. DRUG-FREE WORKPLACE CERTIFICATION: Contractor certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Cal. Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).

b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(a) to inform employees about all of the following:

i. the dangers of drug abuse in the workplace;

ii. the person's or organization's policy of maintaining a drug-free workplace;

iii. any available counseling, rehabilitation and employee assistance programs; and,

iv. penalties that may be imposed upon employees for drug abuse violations.

30. RECYCLING: Contractor shall certify in writing under penalty of perjury, compliance with California Public Contract Code section 12200 et seq., in products, materials, goods, or supplies offered or sold to HACSB regardless of whether the product meets the requirements of California Public Contract Code section 12209.

31. LEAD BASED PAINT PROHIBITION: For any contract for construction or rehabilitation, Contractor certifies that it shall comply with 24 CFR Part 35 prohibiting the use of lead-based paint.

32. COMPLIANCE WITH CONTRACT WORK HOURS AND SAFETY STANDARDS ACT: For agreements in excess of $2,000, and in excess of $2500 for other agreements which involve the employment of mechanics or laborers, Contractor certifies that it complies with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701 et seq.) as supplemented by Department of Labor regulations (29 CFR Part 5).

33. CHILD SUPPORT COMPLIANCE ACT: For any contract in excess of $250,000, Contractor acknowledges in accordance with Public Contract Code Section 7110, that:

a. Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable State of California and Federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and

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b. Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

34. ELECTRONIC WASTE RECYCLING ACT OF 2003: Contractor certifies that it complies with the requirements of the Electronic Waste Recycling Act of 2003, Chapter 8.5, Part 3 of Division 30, commencing with Section 42460 of the Public Resources Code, relating to hazardous and solid waste. Contractor shall maintain documentation and provide reasonable access to its records and documents that evidence compliance.

35. ENVIRONMENTAL REGULATIONS: For agreements in excess of $250,000, Contractor certifies that it complies with the requirements issued under section 306 of the Clean Air Act (42 U.S.C. 7401 et seq.), section 508 of the Clean Water Act (33 U.S.C. 1251 et seq.), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R.).

36. USE TAX COLLECTION: In accordance with PCC Section 10295.1, Contractor certifies that it is a holder of a California seller's permit issued pursuant to Article 2 (commencing with Section 6066) of Chapter 2 of Part 1 of Division 2 of the Revenue and Taxation Code, or is a holder of a certificate of registration issued pursuant to Section 6226 of the Revenue and Taxation Code. Contractor further certifies that it will immediately advise HACSB of any change in its retailer's seller's permit or certification of registration or applicable affiliate's seller's permit or certificate of registration as described in subdivision (a) of PCC Section 10295.1.

37. DOMESTIC PARTNERS: For agreements over $250,000, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

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EXHIBIT "D"

WORK AUTHORIZATION

This task will be performed in accordance with this Work Authorization and the provisions of Contract No. PC1444.

Schedule Dates:

Start Date: Refer to Notice to Proceed Letter

Completion Date: Refer to Notice to Proceed Letter

Total Contract Cost: $268,427.00

Line Item Subtotals

Section Title	Line Total
Fall Protection Anchors	$1,450.00
Fall Protection Ladder Dock	$1,200.00
Roof Tear off Flat Roof	$32,100.00
Roof Tear-Off Shingle 1200 N Campus Office	$3,500.00
Roof Tear-Off Shingle 1286 N Campus Residence	$5,700.00
Roof Tear-Off Shingle Management Office1226 N Campus	$10,800.00
Roof Tear-Off Shingle Shops and Food Bank	$8,400.00
Fascia Replacement	$100.00
Roof Sheathing Replacement	$415.00
Blow Down Insulation	$15,548.00
Roof Deck Insulation	$32,100.00
Cant Strip	$600.00
Flashings	$175.00
Shingle Roof System, Office Building #1	$2,100.00
Shingle Roof System, Office Building #2	$18,000.00
Shingle Roof System, Shops, Food Bank	$4,480.00
Shingle Roof System, Resident unit	$19,000.00
Flat Roof System	$85,600.00
Gutters	$7,395.00
Splash Guards	$360.00
Painting	$5,000.00
Satellite Mounts	$2,500.00
Additional Work	$1,500.00
Add Alternate: GYM	$10,404.00
Grand Total	$268,427.00

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Fall Protection Anchors							$1,450.00		
1			Supply & install "post" type fall protection anchors per menufacturer's specifications. Includes framing & plywood to install blocking as needed.	Each	29	$50.00	$1,450.00	Yes	
Fall Protection Ladder Dock							$1,200.00		
2			Ladder Docks	Each	4	$300.00	$1,200.00	Yes	
Roof Tear off Flat Roof							$32,100.00		
3			Strip off all existing layers of roofing & dispose or recycle all materials. Asbestos abatement by others.	Sq Ft	10700	$3.00	$32,100.00	Yes	
Roof Tear-Off Shingle 1200 N Campus Office							$3,500.00		
4			Strip off all existing layers of roofing & dispose or recycle all materials. Asbestos abatement by others.	Sq Ft	350	$10.00	$3,500.00	Yes	
Roof Tear-Off Shingle 1286 N Campus Residence							$5,700.00		
5			Strip off all existing layers of roofing & dispose or recycle all materials. Asbestos abatement by others.	Sq Ft	1900	$3.00	$5,700.00	Yes	
Roof Tear-Off Shingle Management Office1226 N Campus							$10,800.00		
6			Strip off all existing layers of roofing & dispose or recycle all materials. Asbestos abatement by others.	Sq Ft	3600	$3.00	$10,800.00	Yes	
Roof Tear-Off Shingle Shops and Food Bank							$8,400.00		
7			Strip off all existing layers of roofing & dispose or recycle all materials. Asbestos abatement by others.	Sq Ft	2800	$3.00	$8,400.00	Yes	
Fascia Replacement							$100.00		
8			Repair existing fascia, supply & install new f	Lin Ft	50	$2.00	$100.00	Yes	
Roof Sheathing Replacement							$415.00		
9			Estimated quantity for concealed damage to plywood sheathing. Please provide cost per sq ft. (estimated 4 sheets of plywood)	Sq Ft	415	$1.00	$415.00	Yes	
Blow Down Insulation							$15,548.00		
10			Furnish and install blow down insulation	Sq Ft	4600	$3.38	$15,548.00	Yes	
Roof Deck Insulation							$32,100.00		
11			Furnish and install 2" thickness of polyiso insulation over the roof sheathing. Install tapered insulation at perimiters of roof and at HVAC curbs	Sq Ft	10700	$3.00	$32,100.00	Yes	
Cant Strip							$600.00		
12			Supply and install new flexible fiber cant strip at roof/wall intersections.	Lin Ft	200	$3.00	$600.00	Yes	
Flashings							$175.00		
13			Install sheet metal flashings for all roof penetrations including new handrails. Install additional "reglet" flashing on perimeter walls above existing Z-Bar flashing. Electrical and Plumbing	Lump Sum	25	$7.00	$175.00	Yes	
Shingle Roof System, Office Building #1							$2,100.00		
14			Supply and install Brava or Equal roof system	Sq Ft	350	$6.00	$2,100.00	Yes	
Shingle Roof System, Office Building #2							$18,000.00		
15			Supply and install shingle roof system	Sq Ft	3600	$5.00	$18,000.00	Yes	
Shingle Roof System, Shops, Food Bank							$4,480.00		
16			Supply and install shingle roof system	Sq Ft	2800	$1.60	$4,480.00	Yes	
Shingle Roof System, Resident unit							$19,000.00		
17			Supply and install shingle roof system	Sq Ft	1900	$10.00	$19,000.00	Yes	
Flat Roof System							$85,600.00		
18			Supply and install flat roofing system using fiberglass reinforced asphalt emulsion.	Sq Ft	10700	$8.00	$85,600.00	Yes	
Gutters							$7,395.00		
19			Supply and install aluminum rain gutter w/screen along the entire edge.	Lin Ft	870	$8.50	$7,395.00	Yes	
Splash Guards							$360.00		
20			Supply and install downspouts with splash guards.	Each	18	$20.00	$360.00	Yes	
Painting							$5,000.00		
21			Paint touch-ups on roofing materials as needed	Lump Sum	1	$5,000.00	$5,000.00	Yes	
Satellite Mounts							$2,500.00		
22			Install satellite mounts in each unit	Lump Sum	5	$500.00	$2,500.00	Yes	
Additional Work							$1,500.00		
23			Carpenter Labor Rate	Man-Hour	1	$500.00	$500.00	Yes	
24			Roofer Labor Rate	Man-Hour	1	$500.00	$500.00	Yes	
25			Sheet Metal Worker Labor Rate	Man-Hour	1	$500.00	$500.00	Yes	
Add Alternate: GYM							$10,404.00		
26			Apply fluid-applied silicone coating roofing system (ASTM D6694 compliant).	Sq Ft	3468	$3.00	$10,404.00	Yes	

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Bond No. 906228976
Premium: $7,340.00

EXHIBIT "E"

PERFORMANCE – PAYMENT BOND

KNOW ALL ME BY THESE PRESENTS: That we Final Touch Construction & * (Contractor) _____ _____, a California (corporation) hereinafter called "Principal" and The Ohio Casualty Insurance Company (Surety) of Boston, State of MA, hereinafter called the "Surety", are held and firmly bound unto Housing Authority of the County ** (Owner) _____ of San Bernardino, CA (City and State), hereinafter called "Owner" in the penal sum of Two Hundred Sixty-Eight Thousand, Four Hundred Twenty-Seven & 00/100-Dollars ($268,427.00--) in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

*Design, Inc. **of San Bernardino

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a certain contract with the Owner, dated the 17th day of March, 2026, a copy of which is hereto attached and made a part hereof for the construction of: PC1444 Roof Replacement - Upland Offices and Unit

NOW, THEREFORE, if the Principal shall well, truly and faithfully perform its duties, all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term thereof, and any extension thereof which may be granted to the Owner, with or without notice to the Surety, and if he shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the Owner from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the Owner all outlay and expense which the Owner may incur in making good any default, and shall promptly make payment to all persons, firms, subcontractors, and corporations furnishing materials for or performing labor in the prosecution of the work provided fir in such contract, and any authorized extension or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such work, and all insurance premiums on said work, and for all labor, performed in such work whether by subcontractor or otherwise (including all persons named in California Civil Code section 9100), or amounts due under the California unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid to the Employment Development Department from the wages of employees of the Principal and subcontractors, and in full conformance with the Contract Documents, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

PROVIDED, FURTHER, that no final settlement between the Owner and Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

[END – SIGNATURES FOLLOW NEXT PAGE]

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IN WITNESS WHEREOF, this instrument is executed in six (6) counterparts, each one of shall be deemed an original, this the 17th day of March, 2026.

ATTEST:

Final Touch Construction & Design, Inc.

"PRINCIPAL"

BY: _____

NAME: Luis Echeverria

_____

(Principal) Secretary

(Seal)

_____

Witness as to Principal

_____

(Address – Zip Code)

The Ohio Casualty Insurance Company

"SURETY"

_____

(Surety) ~~Secretary~~ Witness

BY: _____

NAME: Andrew J. Waterbury

ITS: Attorney-in-Fact

(Seal)

175 Berkeley Street, Boston, MA 02116

(Address – Zip Code)

_____

Witness as to Surety

8055 E Tufts Ave., #1000, Denver, CO 80237

(Address – Zip Code)

NOTE: Date of Bond must not be prior to date of Contract. If Contractor is a Partnership, all partners should execute bond.

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COLORADO NOTARY ACKNOWLEDGEMENT
(INDIVIDUAL)

State of Colorado

County of Denver

This record was acknowledged before me on January 30, 2026 (date) by Andrew J. Waterbury (name[s] of individual[s]).

Signature of Notarial Officer
Elizabeth Ostblom
Notary Public
Title of Office

My Commission Expires: 07/05/2026

(Seal)

ELIZABETH OSTBLOM
Notary Public
State of Colorado
Notary ID # 20224026046
My Commission Expires 07-05-2026

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Liberty Mutual. SURETY

POWER OF ATTORNEY

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: 8214958-965037

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Andrew J. Waterbury; Bradley J. Moody; Elizabeth Ostblom; Evan E. Moody; Jody L. Anderson; Karen A. Feggestad; Regina R. Fleming

all of the city of Denver state of CO each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 24th day of October, 2025.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By: _____
Nathan J. Zangerle, Assistant Secretary

State of PENNSYLVANIA
County of MONTGOMERY ss

On this 24th day of October, 2025 before me personally appeared Nathan J. Zangerle, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.

Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2029
Commission number 1126044
Member, Pennsylvania Association of Notaries

By: _____
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS: Section 12. Power of Attorney.
Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts: Section 5. Surety Bonds and Undertakings.
Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes Nathan J. Zangerle, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 17th day of March, 2026.

By: _____
Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com.

LMS-12873 LMIC OCIC WAIC Multi Co 02/24

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ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of San Bernardino }

On 02/04/2026 before me, Nelly Sanchez, Notary Public,
(Here insert name and title of the officer)

personally appeared Luis Echeverria,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public Signature (Notary Public Seal)

NELLY SANCHEZ
COMM. #2489327
Notary Public - California
SAN BERNARDINO COUNTY
My Comm. Expires MAY 05, 2028

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

P.O.A.

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date ____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☐ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

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- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
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- Signature of the notary public must match the signature on file with the office of the county clerk.
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  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

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Liberty Mutual. SURETY

BOND RIDER

ATTACHED TO AND FORMING A PART OF Bond No. 906228976, issued on March 17, 2026, and naming Final Touch Construction & Design, Inc. as Principal and The Ohio Casualty Insurance Company as Surety.

(a) Notwithstanding any contrary provision in the bond, the contract for which the bond is issued, or any other document which may be incorporated by or into the bond or contract, the obligation of the Surety with respect to any warranty including, but not limited to, warranty of labor, material, workmanship, merchantability, performance or durability of materials consumed in the work or improvement, whether or not provided or fabricated by the Principal, shall in no event exceed a period of (Two (2) Years) months (the "Warranty Period") from the date of substantial completion of the work of improvement.

(b) Upon expiration of the warranty period, all obligations of the Surety under the bond shall cease and the bond shall be of no further force and effect.

(c) With the exception of the Surety's obligation, as set forth herein, nothing in this Bond Rider shall be construed to alter, modify or restrict the scope of duration of any warranty provided or extended by the Principal, manufacturer, or any other party contributing to the work of improvement.

(d) Except as set forth in the Bond Rider, the terms and conditions of the bond remain unchanged, and it is agreed that the bond remains in full force and effect as of the date above written.

Executed this 17th day of March, 2026.

The Ohio Casualty Insurance Company

By: _____
Andrew J. Waterbury, Attorney-in-Fact

Principal:

Final Touch Construction & Design, Inc.

By: _____
, President

Obligee:

Housing Authority of the County of San Bernardino

By: _____
, Authorized Representative

LMS-21667 05/20

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COLORADO NOTARY ACKNOWLEDGEMENT (INDIVIDUAL)

State of Colorado

County of Denver

This record was acknowledged before me on January 30, 2026 (date) by Andrew J. Waterbury (name[s] of individual[s]).

Signature of Notarial Officer
Elizabeth Ostblom
Notary Public
Title of Office

(Seal)

ELIZABETH OSTBLOM
Notary Public
State of Colorado
Notary ID # 20224026046
My Commission Expires 07-05-2026

My Commission Expires: 07/05/2026

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Liberty Mutual. SURETY

POWER OF ATTORNEY

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: 8214958-965037

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Andrew J. Waterbury; Bradley J. Moody; Elizabeth Ostblom; Evan E. Moody; Jody L. Anderson; Karen A. Feggestad; Regina R. Fleming

all of the city of Denver state of CO each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 24th day of October, 2025.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By: _____
Nathan J. Zangerle, Assistant Secretary

State of PENNSYLVANIA
County of MONTGOMERY ss

On this 24th day of October, 2025 before me personally appeared Nathan J. Zangerle, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.

Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2029
Commission number 1126044
Member, Pennsylvania Association of Notaries

By: _____
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS: Section 12. Power of Attorney.
Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts: Section 5. Surety Bonds and Undertakings.
Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes Nathan J. Zangerle, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 17th day of March, 2026.

By: _____
Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com.

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ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of San Bernardino }

On 02/04/2026 before me, Nelly Sanchez, Notary Public,
(Here insert name and title of the officer)

personally appeared Luis Echeverria,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

NELLY SANCHEZ
COMM. #2488327
Notary Public - California
SAN BERNARDINO COUNTY
My Comm. Expires MAY 05, 2028

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

N.D

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date ____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☐ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

INSTRUCTIONS FOR COMPLETING THIS FORM

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  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

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EXHIBIT "F"

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
715 E. BRIER DRIVE
SAN BERNARDINO, CA 92408-2841
(909) 890-0644 FAX (909) 890-4618

STIPULATION OF LIEN

Contract Number:

KNOW ALL MEN BY THESE PRESENTS:

1. The undersigned certifies that all contract work executed under the aforesaid Contract Number will be performed in accordance with the contract terms thereof and there will be no claims of laborers or mechanics for unpaid wages arising out of the performance of said contract.

2. That, in consideration of the payment of the amount of any contract awarded, the undersigned does hereby release the Housing Authority of the County of San Bernardino from any and all claims arising from any contract awarded by this process.

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument this 24 day of February, 20 26.

By: _____

Title: President

NAME AND ADDRESS OF CONTRACTOR:

Final Touch Construction
16466 Foothill Blvd.
Fontana CA 92335

Sworn before me this 24 day of February, 20 26.

_____
(Notary Public)

My Commission Expires May 05, 2028
(Date)

"See attached Acknowledgment"

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

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State of California }

County of San Bernardino }

On 02/24/2026 before me, Nelly Sanchez, Notary Public,
(Here insert name and title of the officer)

personally appeared Luis Echeverria,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

NELLY SANCHEZ
COMM. #2489327
Notary Public - California
SAN BERNARDINO COUNTY
My Comm. Expires MAY 05, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

U.D.

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date ____

CAPACITY CLAIMED BY THE SIGNER

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- ☐ Corporate Officer

(Title)

- ☐ Partner(s)
- ☑ Attorney-in-Fact
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- ☐ Other ____

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EXHIBIT "G"

PREVAILING WAGE REQUIREMENTS AND DETERMINATION

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

PREVAILING WAGE REQUIREMENTS

A. All or a portion of the Scope of Work in the Contract requires the payment of prevailing wages and compliance with the following requirements:

1. **Determination of Prevailing Rates**:
   Pursuant to Labor Code sections 1770, et seq., HACSB has obtained from the Director of the Department of Industrial Relations (DIR) pursuant to the California Labor Code, the general prevailing rates of per diem wages and the prevailing rates for holiday and overtime work in the locality in which the Scope of Work is to be performed. Copies of said rates are on file with HACSB, will be made available for inspection during regular business hours, may be included elsewhere in the specifications for the Scope of Work, and are also available online at www.dir.ca.gov. The wage rate for any classification not listed, but which may be required to execute the Scope of Work, shall be commensurate and in accord with specified rates for similar or comparable classifications for those performing similar or comparable duties. In accordance with Labor Code section 1773.2, the Contractor shall post, at appropriate and conspicuous locations on the job site, a schedule showing all applicable prevailing wage rates and shall comply with the requirements of Labor Code sections 1773, et seq.
2. **Payment of Prevailing Rates**
   Each worker of the Contractor, or any subcontractor, engaged in the Scope of Work, shall be paid not less than the general prevailing wage rate, regardless of any contractual relationship which may be alleged to exist between the Contractor or any subcontractor, and such worker.
3. **Prevailing Rate Penalty**
   The Contractor shall, as a penalty, forfeit two hundred dollars ($200.00) to HACSB for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of the DIR for such work or craft in which such worker is employed by the Contractor or by any subcontractor in connection with the Scope of Work. Pursuant to California Labor Code section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day, or portion thereof, for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by the Contractor.
4. **Ineligible Contractors**:
   Pursuant to the provisions of Labor Code section 1777.1, the Labor Commissioner publishes and distributes a list of contractors ineligible to perform work as a contractor or subcontractor on a public works project. This list of debarred contractors is available from the DIR website at http://www.dir.ca.gov/Public-Works/PublicWorks.html. Any contract entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract, and any public money that may have been paid to a debarred subcontractor by a contractor on the project shall be returned to the HACSB. The Contractor shall be responsible for the payment of wages to workers as a debarred subcontractor who has been allowed to work on the Scope of Work.
5. **Payroll Records:**
   a. Pursuant to California Labor Code section 1776, the Contractor and each subcontractor, shall keep accurate certified payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by them in connection with the Scope of Work. The payroll records enumerated herein shall be verified by a written declaration made under penalty of perjury that the information contained in the payroll record is true and correct and that the Contractor or subcontractor has complied with the requirements of the California Labor Code sections 1771, 1811, and 1815 for any Scope of Work performed by his or her employees. The payroll records shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:
      i. A certified copy of an employee's payroll record shall be made available for inspection or furnished to such employee or his/her authorized representative on request;
      ii. A certified copy of all payroll records shall be made available for inspection or furnished upon request to the HACSB, the Division of Labor Standards Enforcement of the DIR;

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iii. A certified copy of payroll records shall be made available upon request to the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through either HACSB or the Division of Labor Standards Enforcement. If the requested payroll records have not been previously provided to HACSB or the Division of Labor Standards Enforcement, the requesting party shall, prior to being provided the records, reimburse the cost of preparation by the Contractor, subcontractor and the entity through which the request was made; the public shall not be given access to such records at the principal office of the Contractor;

iv. The Contractor shall file a certified copy of the payroll records with the entity that requested such records within ten (10) days after receipt of a written request; and

v. Copies provided to the public, by HACSB or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of the Contractor or any subcontractor, performing a part of the Scope of Work shall not be marked or obliterated. The Contractor shall inform HACSB of the location of payroll records, including the street address, city and county and shall, within five (5) working days, provide a notice of a change of location and address.

b. The Contractor shall have ten (10) days from receipt of the written notice specifying in what respects the Contractor must comply with the above requirements. In the event Contractor does not comply with the requirements of this section within the ten (10) day period, the Contractor shall, as a penalty to the HACSB, forfeit one-hundred dollars ($100.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, such penalty shall be withheld from any portion of the payments then due or to become due to the Contractor.

6. **Limitations on Hours of Work**:
Pursuant to California Labor Code section 1810, eight (8) hours of labor shall constitute a legal day's work. Pursuant to California Labor Code section 1811, the time of service of any worker employed at any time by the Contractor or by a subcontractor, upon the Scope of Work or upon any part of the Scope of Work, is limited and restricted to eight (8) hours during any one calendar day and forty (40) hours during any one calendar week, except as provided for under Labor Code section 1815. Notwithstanding the foregoing provisions, work performed by employees of Contractor or any subcontractor, in excess of eight (8) hours per day and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1½) times the basic rate of pay.

7. **Penalty for Excess Hours:**
The Contractor shall pay to the HACSB a penalty of twenty-five dollars ($25.00) for each worker employed on the Scope of Work by the Contractor or any subcontractor, for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and forty (40) hours in any one calendar week, in violation of the provisions of the California Labor Code, unless compensation to the worker so employed by the Contractor is not less than one and one-half (1½) times the basic rate of pay for all hours worked in excess of eight (8) hours per day.

8. **Senate Bill 854 (Chapter 28, Statutes of 2014) and Senate Bill 96 (Chapter 28, Statutes of 2017) Requirements:**

a. Contractor shall comply with Senate Bill 854 and Senate Bill 96. The requirements include, but are not limited to, the following:

i. No contractor or subcontractor may be listed on a bid proposal (submitted on or after March 1, 2015) for a public works project unless registered with the DIR pursuant to Labor Code section 1725.5, with limited exceptions from this requirements for bid purposes only as allowed under Labor Code section 1771.1(a).

ii. No contractor or subcontractor may be awarded a contract for public work or perform work on a public works project (awarded on or after April 1, 2015) unless registered with the DIR pursuant to Labor Code section 1725.5.

iii. This project is subject to compliance monitoring and enforcement by the DIR.

iv. As required by the DIR, Contractor is required to post job site notices, as prescribed by regulation, regarding compliance monitoring and enforcement by the DIR.

v. Contractors and all subcontractors must submit certified payroll records online to the Labor Commissioner for all new public works projects issued on or after April 1, 2015, and for all public works projects, new or ongoing, on or after January 1, 2016.

1) The certified payroll must be submitted at least monthly to the Labor Commissioner.

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2) The HACSB reserves the right to require Contractor and all subcontractors to submit certified payroll records more frequently than monthly to the Labor Commissioner.
3) The certified payroll records must be in a format prescribed by the Labor Commissioner.

vi. Registration with the DIR and the submission of certified payroll records to the Labor Commissioner are not required if the public works project is $25,000 or less when the project is for construction, alteration, demolition, installation or repair work, or if the public works project is $15,000 or less when the project is for maintenance work.

b. Labor Code section 1725.5 states the following:

"A contractor shall be registered pursuant to this section to be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any public work contract that is subject to the requirements of this chapter. For the purposes of this section, "contractor" includes a subcontractor as defined by Section 1722.1.

(a) To qualify for registration under this section, a contractor shall do all of the following:

(1) (A) Register with the Department of Industrial Relations in the manner prescribed by the department and pay an initial nonrefundable application fee of four hundred dollars ($400) to qualify for registration under this section and an annual renewal fee on or before July 1 of each year thereafter. The annual renewal fee shall be in a uniform amount set by the Director of Industrial Relations, and the initial registration and renewal fees may be adjusted no more than annually by the director to support the costs specified in Section 1771.3.

(B) Beginning June 1, 2019, a contractor may register or renew according to this subdivision in annual increments up to three years from the date of registration. Contractors who wish to do so will be required to prepay the applicable nonrefundable application or renewal fees to qualify for the number of years for which they wish to preregister.

(2) Provide evidence, disclosures, or releases as are necessary to establish all of the following:

(A) Workers' compensation coverage that meets the requirements of Division 4 (commencing with Section 3200) and includes sufficient coverage for any worker whom the contractor employs to perform work that is subject to prevailing wage requirements other than a contractor who is separately registered under this section. Coverage may be evidenced by a current and valid certificate of workers' compensation insurance or certification of self-insurance required under Section 7125 of the Business and Professions Code.

(B) If applicable, the contractor is licensed in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code.

(C) The contractor does not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award. However, for purposes of this paragraph, the contractor shall not be disqualified for any judgment, order, or determination that is under appeal, provided that the contractor has secured the payment of any amount eventually found due through a bond or other appropriate means.

(D) The contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.

(E) The contractor has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered in accordance with this section, within the preceding 12 months or since the effective date of the requirements set forth in subdivision (e), whichever is earlier. If a contractor is found to be in violation of the requirements of this paragraph, the period of disqualification shall be waived if both of the following are true:

(i) The contractor has not previously been found to be in violation of the requirements of this paragraph within the preceding 12 months.

(ii) The contractor pays an additional nonrefundable penalty registration fee of two thousand dollars ($2,000).

(b) Fees received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

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(c) A contractor who fails to pay the renewal fee required under paragraph (1) of subdivision (a) on or before the expiration of any prior period of registration shall be prohibited from bidding on or engaging in the performance of any contract for public work until once again registered pursuant to this section. If the failure to pay the renewal fee was inadvertent, the contractor may renew its registration retroactively by paying an additional nonrefundable penalty renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.

(d) If, after a body awarding a contract accepts the contractor's bid or awards the contract, the work covered by the bid or contract is determined to be a public work to which Section 1771 applies, either as the result of a determination by the director pursuant to Section 1773.5 or a court decision, the requirements of this section shall not apply, subject to the following requirements:

(1) The body that awarded the contract failed, in the bid specification or in the contract documents, to identify as a public work that portion of the work that the determination or decision subsequently classifies as a public work.

(2) Within 20 days following service of notice on the awarding body of a determination by the Director of Industrial Relations pursuant to Section 1773.5 or a decision by a court that the contract was for public work as defined in this chapter, the contractor and any subcontractors are registered under this section or are replaced by a contractor or subcontractors who are registered under this section.

(3) The requirements of this section shall apply prospectively only to any subsequent bid, bid proposal, contract, or work performed after the awarding body is served with notice of the determination or decision referred to in paragraph (2).

(e) The requirements of this section shall apply to any bid proposal submitted on or after March 1, 2015, to any contract for public work, as defined in this chapter, executed on or after April 1, 2015, and to any work performed under a contract for public work on or after January 1, 2018, regardless of when the contract for public work was executed.

(f) This section does not apply to work performed on a public works project of twenty-five thousand dollars ($25,000) or less when the project is for construction, alteration, demolition, installation, or repair work or to work performed on a public works project of fifteen thousand dollars ($15,000) or less when the project is for maintenance work."

c. Labor Code section 1771.1 states the following:

"(a) A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.
(b) Notice of the requirement described in subdivision (a) shall be included in all bid invitations and public works contracts, and a bid shall not be accepted nor any contract or subcontract entered into without proof of the contractor or subcontractor's current registration to perform public work pursuant to Section 1725.5.
(c) An inadvertent error in listing a subcontractor who is not registered pursuant to Section 1725.5 in a bid proposal shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive, provided that any of the following apply:
(1) The subcontractor is registered prior to the bid opening.
(2) Within 24 hours after the bid opening, the subcontractor is registered and has paid the penalty registration fee specified in subparagraph (E) of paragraph (2) of subdivision (a) of Section 1725.5.
(3) The subcontractor is replaced by another registered subcontractor pursuant to Section 4107 of the Public Contract Code.
(d) Failure by a subcontractor to be registered to perform public work as required by subdivision (a) shall be grounds under Section 4107 of the Public Contract Code for the contractor, with the consent of the awarding authority, to substitute a subcontractor who is registered to perform public work pursuant to Section 1725.5 in place of the unregistered subcontractor.
(e) The department shall maintain on its Internet Web site a list of contractors who are currently registered to perform public work pursuant to Section 1725.5.

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(f) A contract entered into with any contractor or subcontractor in violation of subdivision (a) shall be subject to cancellation, provided that a contract for public work shall not be unlawful, void, or voidable solely due to the failure of the awarding body, contractor, or any subcontractor to comply with the requirements of Section 1725.5 or this section.

(g) If the Labor Commissioner or his or her designee determines that a contractor or subcontractor engaged in the performance of any public work contract without having been registered in accordance with this section, the contractor or subcontractor shall forfeit, as a civil penalty to the state, one hundred dollars ($100) for each day of work performed in violation of the registration requirement, not to exceed an aggregate penalty of eight thousand dollars ($8,000) in addition to any penalty registration fee assessed pursuant to clause (ii) of subparagraph (E) of paragraph (2) of subdivision (a) of Section 1725.5.

(h)(1) In addition to, or in lieu of, any other penalty or sanction authorized pursuant to this chapter, a higher tiered public works contractor or subcontractor who is found to have entered into a subcontract with an unregistered lower tier subcontractor to perform any public work in violation of the requirements of Section 1725.5 or this section shall be subject to forfeiture, as a civil penalty to the state, of one hundred dollars ($100) for each day the unregistered lower tier subcontractor performs work in violation of the registration requirement, not to exceed an aggregate penalty of ten thousand dollars ($10,000).

(2) The Labor Commissioner shall use the same standards specified in subparagraph (A) of paragraph (2) of subdivision (a) of Section 1775 when determining the severity of the violation and what penalty to assess, and may waive the penalty for a first time violation that was unintentional and did not hinder the Labor Commissioner's ability to monitor and enforce compliance with the requirements of this chapter.

(3) A higher tiered public works contractor or subcontractor shall not be liability for penalties assessed pursuant to paragraph (1) if the lower tier subcontractor's performance is in violation of the requirements of Section 1725.5 due to the revocation of a previously approved registration.

(4) A subcontractor shall not be liable for any penalties assessed against a higher tiered public works contractor or subcontractor pursuant to paragraph (1). A higher tiered public works contractor or subcontractor may not require a lower tiered subcontractor to indemnity or otherwise be liable for any penalties pursuant to paragraph (1).

(i) The Labor Commissioner or his or her designee shall issue a civil wage and penalty assessment, in accordance with the provisions of Section 1741, upon determination of penalties pursuant to subdivision (g) and subparagraph (B) of paragraph (1) of subdivision (h). Review of a civil wage and penalty assessment issued under this subdivision may be requested in accordance with the provisions of Section 1742. The regulations of the Director of Industrial Relations, which govern proceedings for review of civil wage and penalty assessments and the withholding of contract payments under Article 1 (commencing with Section 1720) and Article 2 (commencing with Section 1770), shall apply.

(j)(1) Where a contractor or subcontractor engages in the performance of any public work contract without having been registered in violation of the requirements of Section 1725.5 or this section, the Labor Commissioner shall issue and serve a stop order prohibiting the use of the unregistered contractor or the unregistered subcontractor on all public works until the unregistered contractor or unregistered subcontractor is registered. The stop order shall not apply to work by registered contractors or subcontractors on the public work.

(2) A stop order may be personally served upon the contractor or subcontractor by either of the following methods:

(A) Manual delivery of the order to the contractor or subcontractor personally.

(B) Leaving signed copies of the order with the person who is apparently in charge at the site of the public work and by thereafter mailing copies of the order by first class mail, postage prepaid to the contractor or subcontractor at the address on file with either of the following:

(i) The Contractors' State License Board.

(ii) The Secretary of State.

(3) The stop order shall be effective immediately upon service and shall be subject to appeal by the party contracting with the unregistered contractor or subcontractor, by the unregistered contractor or subcontractor, or both. The appeal, hearing, and any further review of the hearing decision shall be governed by the procedures, time limits, and other requirements specified in subdivision (a) of Section 238.1.

(k) Failure of a contractor or subcontractor, owner, director, officer, or managing agent of the contractor or subcontractor to observe a stop order issued and served upon him or her pursuant to subdivision (j) is guilty of a misdemeanor punishable by imprisonment in county jail not exceeding 60 days or by a fine not exceeding ten thousand dollars ($10,000), or both.

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(l) This section shall apply to any bid proposal submitted on or after March 1, 2015, and any contract for public work entered into on or after April 1, 2015. This section shall also apply to the performance of any public work, as defined in this chapter, on or after January 1, 2018, regardless of when the contract for public work was entered.
(m) Penalties received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.
(n) This section shall not apply to work performed on a public works project of twenty-five thousand dollars ($25,000) or less when the project is for construction, alteration, demolition, installation, or repair work or to work performed on a public works project of fifteen thousand dollars ($15,000) or less when the project is for maintenance work."

d. Labor Code section 1771.4 states the following:

"a) All of the following are applicable to all public works projects that are otherwise subject to the requirements of this chapter:

(1) The call for bids and contract documents shall specify that the project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

(2) The awarding body shall post or require the prime contractor to post job site notices, as prescribed by regulation.

(3) Each contractor and subcontractor shall furnish the records specified in Section 1776 directly to the Labor Commissioner, in the following manner:

(A) At least monthly or more frequently if specified in the contract with the awarding body.

(B) In a format prescribed by the Labor Commissioner.

(4) If the contractor or subcontractor is not registered pursuant to Section 1725.5 and is performing work on a project for which registration is not required because of subdivision (f) of Section 1725.5, the unregistered contractor or subcontractor is not required to furnish the records specified in Section 1776 directly to the Labor Commissioner but shall retain the records specified in Section 1776 for at least three years after completion of the work.

(5) The department shall undertake those activities it deems necessary to monitor and enforce compliance with prevailing wage requirements.

(b) The Labor Commissioner may exempt a public works project from compliance with all or part of the requirements of subdivision (a) if either of the following occurs:

(1) The awarding body has enforced an approved labor compliance program, as defined in Section 1771.5, on all public works projects under its authority, except those deemed exempt pursuant to subdivision (a) of Section 1771.5, continuously since December 31, 2011.

(2) The awarding body has entered into a collective bargaining agreement that binds all contractors performing work on the project and that includes a mechanism for resolving disputes about the payment of wages.

(c) The requirements of paragraph (1) of subdivision (a) shall only apply to contracts for public works projects awarded on or after January 1, 2015.

(d) The requirements of paragraph (3) of subdivision (a) shall apply to all contracts for public work, whether new or ongoing, on or after January 1, 2016."

B. STATE PUBLIC WORKS APPRENTICESHIP REQUIREMENTS

1. State Public Works Apprenticeship Requirements:

a. The Contractor is responsible for compliance with Labor Code section 1777.5 and the California Code of Regulations, title 8, sections 230 – 230.2 <u>for all apprenticeable occupations</u> (denoted with "#" symbol next to craft name in DIR Prevailing Wage Determination), whether employed by the Contractor, subcontractor, vendor or consultant. Included in these requirements is (1) the Contractor's requirement to provide notification (i.e. DAS-140) to the appropriate apprenticeship committees; (2) pay training fund contributions for each apprenticeable hour employed on the Contract; and (3) utilize apprentices in a minimum ratio of

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not less than one apprentice hour for each five journeyman hours by completion of Contract work (unless an exception is granted in accordance with Labor Code section 1777.5) or request for the dispatch of apprentices.

b. Any apprentices employed to perform any of the Scope of Work shall be paid the standard wage to apprentices under the regulations of the craft or trade for which such apprentice is employed, and such individual shall be employed only for the work of the craft or trade to which such individual is registered. Only apprentices, as defined in California Labor Code section 3077, who are in training under apprenticeship standards and written apprenticeship agreements under California Labor Code sections 3070 et seq. are eligible to be employed for the Scope of Work. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship standards and apprentice agreements under which such apprentice is training.

2. Compliance with <u>California Labor Code section 1777.5</u> requires all public works contractors to:

a. Submit Contract Award Information (DAS-140):
   i. Although there are a few exemptions (identified below), all Contractors, regardless of union affiliation, must submit contract award information when performing on a California public works project.
   ii. The DAS-140 is a notification "announcement" of the Contractor's participation on a public works project—*<u>it is not</u> a request for the dispatch of an apprentice.*
   iii. Contractors shall submit the contract award information (you may use form DAS 140) within 10 days of the execution of the prime contract or subcontract, but in no event later than the first day in which the Contractor has workers employed on the public work.
   iv. Contractors who are already approved to train apprentices (i.e. check "Box 1" on the DAS-140) shall only be required to submit the form to their approved program.
   v. Contractors who are NOT approved to train apprentices (i.e. those that check either "Box 2" or "Box 3" on the DAS-140) shall submit the DAS-140 TO EACH of the apprenticeship program sponsors in the area of your public works project. For a listing of apprenticeship programs see http://www.dir.ca.gov/Databases/das/pwaddrstart.asp.

b. Employ Registered Apprentices
   i. Labor Code section 1777.5 requires that a contractor performing work in an "apprenticeable" craft must employ one (1) hour of apprentice work for every five (5) hours performed by a journeyman. This ratio shall be met prior to the Contractor's completion of work on the project. "Apprenticeable" crafts are denoted with a pound symbol "#" in front of the craft name on the prevailing wage determination.
   ii. All Contractors who do not fall within an exemption category (see below) must request for dispatch of an apprentice from an apprenticeship program (for each apprenticeable craft or trade) by giving the program actual notice of at least 72 hours (business days only) before the date on which apprentices are required.
   iii. Contractors may use the "DAS-142" form for making a request for the dispatch of an apprentice.
   iv. Contractors who are participating in an approved apprenticeship training program and who did not receive sufficient number of apprentices from their initial request must request dispatch of apprentices from ALL OTHER apprenticeship committees in the project area in order to fulfill this requirement.
   v. Contractor should maintain and submit proof (when requested) of its DAS-142 submittal to the apprenticeship committees (e.g. fax transmittal confirmation). A Contractor has met its requirement to employ apprentices only after it has successfully made a dispatch request to all apprenticeship programs in the project area.
   vi. Only "registered" apprentices may be paid the prevailing apprentice rates and must, at all times work under the supervision of a Journeyman (Cal. Code Regs., tit 8, § 230.1).

c. Make Training Fund Contributions
   i. Contractors performing in apprenticeable crafts on public works projects, must make training fund contributions in the amount established in the prevailing wage rate publication for journeymen and apprentices.
   ii. Contractors may use the "CAC-2" form for submittal of their training fund contributions.

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iii. Contractors who do not submit their training fund contributions to an approved apprenticeship training program must submit their contributions to the California Apprenticeship Council (CAC), PO Box 420603, San Francisco, CA 94142-0603.
iv. Training fund contributions to the CAC are due and payable on the 15th day of the month for work performed during the preceding month.
v. The "training" contribution amount identified on the prevailing wage determination shall not be paid to the worker, unless the worker falls within one of the exemption categories listed below.

3. Exemptions to Apprenticeship Requirements:

a. The following are exempt from having to comply with California apprenticeship requirements. These types of contractors do not need to submit a DAS-140, DAS-142, make training fund contributions, or utilize apprentices:
   i. When the Contractor holds a sole proprietor license ("Owner-Operator") and no workers were employed by the Contractor. In other words, the contractor performed the entire work from start to finish and worked alone.
   ii. Contractors performing in non-apprenticeable crafts. "Apprenticeable" crafts are denoted with a pound symbol "#" in front of the craft name on the prevailing wage determination.
   iii. When the Contractor has a direct contract with the Public Agency that is under $30,000.
   iv. When the project is 100% federally-funded and the funding of the project does not contain any city, county, and/or state monies (unless the project is administered by a state agency in which case the apprenticeship requirements apply).
   v. When the project is a private project not covered by the definition of public works as found in Labor Code section 1720.

4. Exemption from Apprenticeship Rations:

a. The Joint Apprenticeship Committee shall have the discretion to grant a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the Contractor from the 1-to-5 ratio set forth in this Section when it finds that any one of the following conditions are met:
   i. Unemployment for the previous three-month period in such area exceeds an average of fifteen percent (15%); or
   ii. The number of apprentices in training in such area exceeds a ratio of 1-to-5 in relation to journeymen; or
   iii. The Apprenticeable Craft or Trade is replacing at least one-thirtieth (1/30) of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis; or
   iv. If assignment of an apprentice to any work performed under the Contract Documents would create a condition which would jeopardize such apprentice's life or the life, safety or property of fellow employees or the public at large, or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyman.

b. When such exemptions from the 1-to-5 ratio between apprentices and journeymen are granted to an organization which represents contractors in a specific trade on a local or statewide basis, the member contractors will not be required to submit individual applications for approval to local Joint Apprenticeship Committees, provided they are already covered by the local apprenticeship standards.

5. Contractor's Compliance:

a. The responsibility of compliance with this Section for all Apprenticeable Trades or Crafts is solely and exclusively that of the Contractor. All decisions of the Joint Apprenticeship Committee(s) under this Section are subject to the provisions of California Labor Code section 3081 and penalties are pursuant to Labor Code section 1777.7 and the determination of the Labor Commissioner.

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GENERAL PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS
PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773 AND 1773.1
FOR COMMERCIAL BUILDING, HIGHWAY, HEAVY CONSTRUCTION AND DREDGING PROJECTS

Craft: Laborer and Related Classifications #

Determination:
SC-23-102-2-2025-1

Issue Date:
August 22, 2025

Expiration date of determination:
June 30, 2026* Effective until superseded by a new determination issued by the Director of Industrial Relations. Contact the Office of the Director – Research Unit at (415) 703-4774 for the new rates after 10 days from the expiration date, if no subsequent determination is issued.

Localities:
All localities within Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura counties.

Wages and Employer Payments:

Classification[a] (Journeyperson)	Basic Hourly Rate	Health and Welfare	Pension	Vacation and Holiday [b]	Training	Other	Hours	Total Hourly Rate	Daily Overtime Hourly Rate (1 ½ X) [c]	Saturday Overtime Hourly Rate (1 ½ X) [cd]	Sunday/ Holiday Overtime Hourly Rate (2 X)
Group 1	$46.48	$9.55	$12.57	$5.02	$0.80	$0.67	8.0	$75.09	$98.330	$98.330	$121.570
Group 2	$47.03	$9.55	$12.57	$5.02	$0.80	$0.67	8.0	$75.64	$99.155	$99.155	$122.670
Group 3	$47.58	$9.55	$12.57	$5.02	$0.80	$0.67	8.0	$76.19	$99.980	$99.980	$123.770
Group 4	$49.13	$9.55	$12.57	$5.02	$0.80	$0.67	8.0	$77.74	$102.305	$102.305	$126.870
Group 5	$49.48	$9.55	$12.57	$5.02	$0.80	$0.67	8.0	$78.09	$102.830	$102.830	$127.570

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Group 1

Boring Machine Helper (Outside)
Certified Confined Space Laborer
Cleaning and Handling of Panel Forms
Concrete Screeding for Rough Strike-Off
Concrete, Water Curing
Demolition Laborer, the cleaning of brick if performed by an employee performing any other phase of demolition work, and the cleaning of lumber
Fiberoptic Installation, Blowing, Splicing, and Testing Technician on public right-of-way only
Fire Watcher, Limbers, Brush Loaders, Pilers and Debris Handlers
Flagman
Gas, Oil and/or Water Pipeline Laborer
Laborer, Asphalt-Rubber Material Loader
Laborer, General or Construction
Laborer, General Cleanup
Laborer, Jetting
Laborer, Temporary Water and Air Lines
Plugging, Filling of Shee-Bolt Holes; Dry Packing of Concrete and Patching
Post Hole Digger (Manual)
Railroad Maintenance, Repair Trackman and Road Beds; Streetcar and Railroad Construction Track Laborers
Rigging and Signaling
Scaler
Slip Form Raisers
Tarman and Mortar Man
Tool Crib or Tool House Laborer
Traffic Control by any method
Water Well Driller Helper
Window Cleaner
Wire Mesh Pulling - All Concrete Pouring Operations

Group 2

Asphalt Shoveler
Cement Dumper (on 1 yard or larger mixer and handling bulk cement)
Cesspool Digger and Installer
Chucktender
Chute Man, pouring concrete, the handling of the chute from readymix trucks, such as walls, slabs, decks, floors, foundations, footings, curbs, gutters and sidewalks
Concrete Curer-Impervious Membrane and Form Oiler
Cutting Torch Operator (Demolition)
Fine Grader, Highways and Street Paving, Airport, Runways, and similar type heavy construction
Gas, Oil and/or Water Pipeline Wrapper-Pot Tender and Form Man
Guinea Chaser
Headerboard Man-Asphalt
Installation of all Asphalt Overlay Fabric and Materials used for Reinforcing Asphalt
Laborer, Packing Rod Steel and Pans
Membrane Vapor Barrier Installer
Power Broom Sweepers (small)
Riprap, Stonepaver, placing stone or wet sacked concrete
Roto Scraper and Tiller
Sandblaster (Pot Tender)
Septic Tank Digger and Installer (leadman)
Tank Scaler and Cleaner
Tree Climber, Faller, Chain Saw Operator, Pittsburgh Chipper and similar type Brush Shredders
Underground Laborer, including Caisson Bellower

Group 3

Asphalt Installation of all fabrics
Buggymobile Man
Compactor (all types including Tampers, Barko, Wacker)
Concrete Cutting Torch
Concrete Pile Cutter
Driller, Jackhammer, 2 1/2 ft. drill steel or longer
Dri Pak-it Machine
Gas, Oil and/or Water Pipeline Wrapper - 6-inch pipe and over by any method, inside and out
Impact Wrench, Multi-Plate
Kettlemen, Potmen and Men applying asphalt, lay-kold, creosote, lime caustic and similar type materials
Laborer, Fence Erector
Material Hoseman (Walls, Slabs, Floors and Decks)
Operators of Pneumatic, Gas, Electric Tools, Vibrating Machines, Pavement Breakers, Air Blasting, Come-Alongs, and similar mechanical tools not separately classified herein; operation of remote controlled robotic tools in connection with Laborers work
Pipelayer's backup man, coating, grouting, making of joints, sealing, caulking, diapering and including rubber gasket joints, pointing and any and all other services
Power Post Hole Digger
Rock Slinger
Rotary Scarifier or Multiple Head Concrete Chipping Scarifier
Steel Headerboard Man and Guideline Setter
Trenching Machine, Hand Propelled

Group 4

Any Worker Exposed to Raw Sewage
Asphalt Raker, Luteman, Ironer, Asphalt Dumpman, and Asphalt Spreader Boxes (all types)
Concrete Core Cutter (walls, floors or ceilings), Grinder or Sander
Concrete Saw Man, Cutting Walls or Flat Work, Scoring old or new concrete
Cribber, Shorer, Lagging, Sheeting and Trench Bracing, Hand-Guided Lagging Hammer
Head Rock Slinger
High Scaler (including drilling of same)
Laborer, Asphalt-Rubber Distributor Bootman
Laser Beam in connection with Laborer's work
Oversize Concrete Vibrator Operator, 70 pounds and over
Pipelayer
Prefabricated Manhole Installer
Sandblaster (Nozzleman), Water Blasting, Porta Shot-Blast
Subsurface Imaging Laborer
Traffic Lane Closure, certified

Group 5

Blasters Powderman
Driller
Toxic Waste Removal
Welding, certified or otherwise in connection with Laborers' work

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Recognized holidays:
Holidays upon which the general prevailing hourly wage rate for Holiday work shall be paid, shall be all holidays in the collective bargaining agreement, applicable to the particular craft, classification, or type of worker employed on the project, which is on file with the Director of Industrial Relations. If the prevailing rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the Government Code. You may obtain the holiday provisions for the current determinations on the Director's General Prevailing Wage Determinations Website (http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm). Holiday provisions for current or superseded determinations may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

Travel and/or subsistence payment:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. You may obtain the travel and/or subsistence provisions for the current determinations on the Director's General Prevailing Wage Determinations Website (http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm). Travel and/or subsistence requirements for current or superseded determinations may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

[#] Indicates an apprenticeable craft. The current apprentice wage rates are available on the Prevailing Wage Apprentice Determinations Website (http://www.dir.ca.gov/OPRL/PWAppWage/PWAppWageStart.asp).
[a] For classification within each group, see page 2.
[b] Includes an amount per hour worked for supplemental dues.
[c] Any hours worked over 12 hours in a single workday are double (2) time.
[d] Saturdays in the same work week may be worked at straight-time if job is shut down during work week due to inclement weather or similar Act of God, or a situation beyond the employer's control.

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GENERAL PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773 AND 1773.1 FOR COMMERCIAL BUILDING, HIGHWAY, HEAVY CONSTRUCTION AND DREDGING PROJECTS

LOCALITY: SAN BERNARDINO COUNTY

DETERMINATION: SBR-2025-2

CRAFT	CLASSIFICATION	CRAFT FOOTNOTE	ISSUE DATE	EXPIRATION DATE	BASIC HOURLY RATE	BASIC HOURLY RATE FOOTNOTE	HEALTH AND WELFARE	HEALTH AND WELFARE FOOTNOTE	PENSION	PENSION FOOTNOTE	VACATION/ HOLIDAY	VACATION/ HOLIDAY FOOTNOTE	TRAINING	TRAINING FOOTNOTE	OTHER PAYMENTS	OTHER PAYMENTS FOOTNOTE	HOURS	HOURS FOOTNOTE	STRAIGHT-TIME TOTAL HOURLY RATE	DAILY OVERTIME HOURLY RATE	DAILY OVERTIME HOURLY RATE FOOTNOTE	SATURDAY OVERTIME HOURLY RATE	SATURDAY OVERTIME HOURLY RATE FOOTNOTE	SUNDAY AND HOLIDAY OVERTIME HOURLY RATE	SUNDAY AND HOLIDAY OVERTIME HOURLY RATE FOOTNOTE	HOLIDAY PROVISIONS	SCOPE OF WORK PROVISIONS	TRAVEL & SUBSISTENCE PROVISIONS
#BRICKLAYER:	BRICKLAYER, CEMENT BLOCKLAYER, POINTER, CAULKER, CLEANER		08/22/2025	04/30/2026*	$52.580	A	$9.500		$9.980		$0.000		$1.750	B	$1.050		8.0	C	$74.860	$98.820	D	$98.820	D	$122.780		Holidays	Scope of Work	Travel & Subsistence
#BRICKLAYER:	STONEMASON, MARBLE MASON		08/22/2025	04/30/2026*	$52.580	A	$9.500		$9.980		$0.000		$1.750	B	$0.650		8.0	C	$74.460	$98.420	D	$98.420	D	$122.380		Holidays	Scope of Work	Travel & Subsistence
#BRICKLAYER:	MASON FINISHER		08/22/2025	04/30/2026*	$47.320	A	$9.250		$9.830		$0.000		$1.180	B	$0.650		8.0	C	$68.230	$89.790	D	$89.790	D	$111.350		Holidays	Scope of Work	Travel & Subsistence
#BRICK TENDER		E	08/22/2025	06/30/2026*	$43.430		$9.550		$9.820	F	$4.400	G	$0.800		$0.450		8.0	C	$68.450	$90.170		$90.170		$111.880		Holidays	Scope of Work	Travel & Subsistence
#BRICK TENDER	FORKLIFT OPERATOR		08/22/2025	06/30/2026*	$43.880		$9.550		$9.820	F	$4.400	G	$0.800		$0.450		8.0	C	$68.900	$90.840		$90.840		$112.780		Holidays	Scope of Work	Travel & Subsistence
#CARPET, LINOLEUM,	RESILIENT TILE LAYER		08/22/2025	12/31/2025**	$45.150	H	$9.780		$6.300		$2.620		$0.730		$0.280		8.0		$64.860	$87.440		$87.440	I	$110.010		Holidays	Scope of Work	Travel & Subsistence
CARPET, LINOLEUM,	MATERIAL HANDLER	J	08/22/2025	12/31/2025**	$18.060	H	$9.780		$2.240		$1.120		$0.730		$0.280		8.0		$32.210	$41.240		$41.240	K	$50.270		Holidays	Scope of Work	Travel & Subsistence
#DRYWALL FINISHER			08/22/2025	08/31/2026*	$51.330	H	$9.200		$12.080		$6.070		$0.920		$1.220		8.0		$80.820	$106.490		$106.490	L	$132.150		Holidays	Scope of Work	Travel & Subsistence
#ELECTRICIAN:	SOUND INSTALLER		08/22/2025	11/30/2025*	$46.430		$11.360		$7.500	M	$0.000		$0.650		$0.300	N	8.0		$67.630	$91.540	O	$91.540	O	$115.460		Holidays	Scope of Work	Travel & Subsistence
#ELECTRICIAN:	INSIDE WIREMAN (ZONE A)	P	08/22/2025	05/31/2026**	$55.150	Q	$11.460		$16.640	M	$0.000		$0.980		$0.280	R	8.0		$86.440	$114.990	S	$114.990	S	$143.530		Holidays	Scope of Work	Travel & Subsistence
#ELECTRICIAN:	INSIDE WIREMAN (ZONE B)	T	08/22/2025	05/31/2026**	$73.850	Q	$11.460		$16.640	M	$0.000		$1.080		$0.370	U	8.0		$106.000	$144.210	S	$144.210	S	$182.430		Holidays	Scope of Work	Travel & Subsistence
#ELECTRICIAN:	CABLE SPLICER (ZONE A)	P	08/22/2025	05/31/2026**	$57.910	Q	$11.460		$16.640	M	$0.000		$0.980		$0.290	R	8.0		$89.300	$119.270	S	$119.270	S	$149.230		Holidays	Scope of Work	Travel & Subsistence
#ELECTRICIAN:	CABLE SPLICER (ZONE B)	T	08/22/2025	05/31/2026**	$77.540	Q	$11.460		$16.640	M	$0.000		$1.080		$0.390	U	8.0		$109.820	$149.940	S	$149.940	S	$190.070		Holidays	Scope of Work	Travel & Subsistence
#ELECTRICIAN:	TUNNEL WIREMAN (ZONE A)	P	08/22/2025	05/31/2026**	$60.670	Q	$11.460		$16.640	M	$0.000		$0.980		$0.300	R	8.0		$92.150	$123.550	S	$123.550	S	$154.940		Holidays	Scope of Work	Travel & Subsistence
#ELECTRICIAN:	TUNNEL WIREMAN (ZONE B)	T	08/22/2025	05/31/2026**	$81.240	Q	$11.460		$16.640	M	$0.000		$1.080		$0.410	U	8.0		$113.650	$155.690	S	$155.690	S	$197.730		Holidays	Scope of Work	Travel & Subsistence
#FIELD SURVEYOR:	CHIEF OF PARTY (018,167-010)	V	08/22/2025	09/30/2025*	$64.010		$13.200		$15.650		$5.170	G	$1.200		$0.150		8.0		$99.380	$131.390	O	$131.390	O	$163.390		Holidays	Scope of Work	Travel & Subsistence
#FIELD SURVEYOR:	INSTRUMENTMAN (018,167-034)	V	08/22/2025	09/30/2025*	$57.360		$13.200		$15.650		$5.000	G	$1.200		$0.150		8.0		$92.560	$121.240	O	$121.240	O	$149.920		Holidays	Scope of Work	Travel & Subsistence
#FIELD SURVEYOR:	CHAINMAN/RODMAN (869,567-010)	V	08/22/2025	09/30/2025*	$56.780		$13.200		$15.650		$4.950	G	$1.200		$0.150		8.0		$91.930	$120.320	O	$120.320	O	$148.710		Holidays	Scope of Work	Travel & Subsistence
#GLAZIER			08/22/2025	05/31/2026*	$60.500	W	$9.600	X	$15.950		$0.000	Y	$0.870		$1.330		8.0		$88.250	$116.000	Z	$116.000	Z	$143.750		Holidays	Scope of Work	Travel & Subsistence
#MARBLE FINISHER			08/22/2025	05/31/2026**	$45.560	AA	$9.250		$6.020		$0.000		$1.380		$0.550		8.0		$62.760	$85.540	AB	$85.540	AC	$108.320	AD	Holidays	Scope of Work	Travel & Subsistence
#PAINTER:	PAINTER, LEAD ABATEMENT	AE	08/22/2025	06/30/2026**	$43.420	Q	$9.200		$6.040		$3.050		$0.750		$1.210		8.0		$63.670	$85.380	AF	$85.380	AF	$107.090		Holidays	Scope of Work	Travel & Subsistence
#PAINTER:	INDUSTRIAL PAINTER	AE	08/22/2025	06/30/2026**	$47.320	Q	$9.200		$6.040		$3.350		$0.850		$1.210		8.0		$67.970	$91.630	AF	$91.630	AF	$115.290		Holidays	Scope of Work	Travel & Subsistence
PAINTER:	GRAFFITI REMOVAL WORKER JOURNEYMAN (APPLIES ONLY TO PAINT-OVER METHOD)	AG	08/22/2025	01/31/2026**	$29.000	AA	$7.250		$1.000		$0.750		$0.000		$0.250		8.0		$38.250	$52.750		$52.750	AH	$67.250	AI	Holidays	Scope of Work	Travel & Subsistence
PAINTER:	GRAFFITI REMOVAL WORKER 1 (APPLIES ONLY TO PAINT-OVER METHOD)	AJ	08/22/2025	01/31/2026**	$19.500	AA	$7.250		$1.000		$0.750		$0.000		$0.250		8.0		$28.750	$38.500		$38.500	AH	$48.250	AI	Holidays	Scope of Work	Travel & Subsistence
PAINTER:	GRAFFITI REMOVAL WORKER 2 (APPLIES ONLY TO PAINT-OVER METHOD)	AK	08/22/2025	01/31/2026**	$20.370	AA	$7.250		$1.000		$0.750		$0.000		$0.250		8.0		$29.620	$39.810		$39.810	AH	$49.990	AI	Holidays	Scope of Work	Travel & Subsistence
#PLASTERER			08/22/2025	07/31/2026*	$46.180		$9.630		$11.310		$8.400	AL	$1.490		$1.190		8.0	AM	$78.200	$101.290	AF	$101.290	AN	$124.380		Holidays	Scope of Work	Travel & Subsistence
#PLASTER TENDER		AO	08/22/2025	08/04/2026*	$48.720		$9.550		$11.970		$5.300	AP	$1.200		$0.960		8.0		$77.700	$102.060	AQ	$102.060	AR	$126.420		Holidays	Scope of Work	Travel & Subsistence
PLASTER TENDER	PLASTER CLEAN-UP LABORER		08/22/2025	08/04/2026*	$46.170		$9.550		$11.970		$5.300	AP	$1.200		$0.960		8.0		$75.150	$98.240	AQ	$98.240	AR	$121.320		Holidays	Scope of Work	Travel & Subsistence
#PLUMBER:	PLUMBER, INDUSTRIAL AND GENERAL PIPEFITTER		08/22/2025	08/31/2026*	$61.730	AS	$9.360		$14.350	AT	$0.000	AU	$3.100		$1.650	AV	8.0		$90.190	$120.080	D	$120.080	D	$148.250		Holidays	Scope of Work	Travel & Subsistence
#PLUMBER:	SEWER AND STORM DRAIN PIPELAYER		08/22/2025	08/31/2026*	$48.840	AS	$9.250		$11.500	AT	$0.000	AU	$2.830		$1.650	AV	8.0		$74.070	$97.520		$97.520	AW	$120.250		Holidays	Scope of Work	Travel & Subsistence
PLUMBER:	SEWER AND STORM DRAIN PIPE TRADESMAN	AX	08/22/2025	08/31/2026*	$24.150	AY	$9.500		$0.380		$0.000		$1.910		$1.500	AV	8.0		$37.440	$48.540		$48.540	AW	$59.640		Holidays	Scope of Work	Travel & Subsistence
#PLUMBER:	SERVICE & REPAIR (PLUMBER/HVAC-FITTER)		08/22/2025	08/31/2026*	$59.850	AS	$9.360		$14.040	AT	$0.000	AU	$2.430		$1.650	AV	8.0		$87.330	$116.280		$116.280	AZ	$143.510	BA	Holidays	Scope of Work	Travel & Subsistence
#PLUMBER:	LANDSCAPE/IRRIGATION FITTER		08/22/2025	08/31/2026*	$44.750	AA	$9.360		$14.350	AT	$0.000	AU	$2.490		$1.450	AV	8.0		$72.400	$94.780		$94.780	AW	$115.700		Holidays	Scope of Work	Travel & Subsistence
PLUMBER:	LANDSCAPE/IRRIGATION TRADESMAN	BB	08/22/2025	08/31/2026*	$21.460	AA	$3.000		$1.160	AT	$0.000		$0.100		$1.250	AV	8.0		$26.970	$37.700		$37.700	AW	$48.430		Holidays	Scope of Work	Travel & Subsistence
#PLUMBER:	FIRE SPRINKLER FITTER (PROTECTION AND CONTROL SYSTEMS, OVERHEAD AND UNDERGROUND)	BC	02/22/2025	03/31/2025*	$47.450		$12.400		$15.560	BD	$0.000		$0.540		$0.250		8.0		$76.200	$99.930		$99.930		$123.650		Holidays	Scope of Work	Travel & Subsistence
#PLUMBER:	FIRE SPRINKLER FITTER (PROTECTION AND CONTROL SYSTEMS, OVERHEAD AND UNDERGROUND)	BE	08/22/2025	12/31/2025**	$58.600		$12.400		$19.650		$0.000	BF	$1.600		$0.450	BG	8.0		$92.700	$122.000	BH	$122.000	BH	$151.300		Holidays	Scope of Work	Travel & Subsistence
#ROOFER			08/22/2025	07/31/2026*	$52.630	BI	$8.560		$11.500	F	$0.000	BJ	$0.580		$0.720	BK	8.0		$73.990	$98.040	BL	$98.040	BL	$122.090		Holidays	Scope of Work	Travel & Subsistence
#ROOFER	PITCH WORK		08/22/2025	07/31/2026*	$54.380	BI	$8.560		$11.500	F	$0.000	BJ	$0.580		$0.720	BK	8.0		$75.740	$100.670	BL	$100.670	BL	$125.590		Holidays	Scope of Work	Travel & Subsistence

CRAFT	CLASSIFICATION	CRAFT FOOTNOTE	ISSUE DATE	EXPIRATION DATE	BASIC HOURLY RATE	BASIC HOURLY RATE FOOTNOTE	HEALTH AND WELFARE	HEALTH AND WELFARE FOOTNOTE	PENSION	PENSION FOOTNOTE	VACATION/ HOLIDAY	VACATION/ HOLIDAY FOOTNOTE	TRAINING	TRAINING FOOTNOTE	OTHER PAYMENTS	OTHER PAYMENTS FOOTNOTE	HOURS	HOURS FOOTNOTE	STRAIGHT-TIME TOTAL HOURLY RATE	DAILY OVERTIME HOURLY RATE	DAILY OVERTIME HOURLY RATE FOOTNOTE	SATURDAY OVERTIME HOURLY RATE	SATURDAY OVERTIME HOURLY RATE FOOTNOTE	SUNDAY AND HOLIDAY OVERTIME HOURLY RATE	SUNDAY AND HOLIDAY OVERTIME HOURLY RATE FOOTNOTE	HOLIDAY PROVISIONS	SCOPE OF WORK PROVISIONS	TRAVEL & SUBSISTENCE PROVISIONS
#ROOFER	PREPARER		08/22/2025	07/31/2026*	$53.630	BI	$8.560		$11.500	F	$0.000	BJ	$0.580		$0.720	BK	8.0		$74.990	$99.540	BL	$99.540	BL	$124.090		Holidays	Scope of Work	Travel & Subsistence
#SHEET METAL WORKER			08/22/2025	06/30/2026**	$62.410	Q	$11.770		$18.010	BM	$0.000		$0.820		$0.720		8.0		$93.730	$124.940	BN	$124.940	BN	$156.140		Holidays	Scope of Work	Travel & Subsistence
#TERRAZZO FINISHER			08/22/2025	08/31/2026*	$45.130	H	$9.250		$4.710		$0.000	BF	$1.110		$0.330		8.0	AW	$60.530	$83.100	AB	$83.100	BO	$105.660	AD	Holidays	Scope of Work	Travel & Subsistence
#TERRAZZO WORKER			08/22/2025	08/31/2026*	$52.670	H	$9.250		$4.860		$0.000	BF	$1.340		$0.390		8.0	AW	$68.510	$94.850	AB	$94.850	BO	$121.180	AD	Holidays	Scope of Work	Travel & Subsistence
#TILE FINISHER			08/22/2025	05/31/2026**	$40.130	AA	$9.250		$4.500		$0.000		$1.310		$0.510		8.0		$55.700	$75.770	AB	$75.770	AC	$95.830	AD	Holidays	Scope of Work	Travel & Subsistence
#TILE LAYER			08/22/2025	05/31/2026**	$54.360	AA	$9.250		$9.850		$0.000		$1.510		$0.620		8.0		$75.590	$102.770	AB	$102.770	AC	$129.950	AD	Holidays	Scope of Work	Travel & Subsistence

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FOOTNOTES

* EFFECTIVE UNTIL SUPERSEDED BY A NEW DETERMINATION ISSUED BY THE DIRECTOR OF INDUSTRIAL RELATIONS. CONTACT THE OFFICE OF THE DIRECTOR - RESEARCH UNIT AT (415) 703-4774 FOR THE NEW RATES AFTER TEN DAYS AFTER THE EXPIRATION DATE IF NO SUBSEQUENT DETERMINATION IS ISSUED.

** THE RATE TO BE PAID FOR WORK PERFORMED AFTER THIS DATE HAS BEEN DETERMINED. IF WORK WILL EXTEND PAST THIS DATE, THE NEW RATE MUST BE PAID AND SHOULD BE INCORPORATED IN CONTRACTS ENTERED INTO NOW. CONTACT THE OFFICE OF THE DIRECTOR RESEARCH UNIT FOR SPECIFIC RATES AT (415) 703-4774.

\# INDICATES AN APPRENTICEABLE CRAFT. THE CURRENT APPRENTICE WAGE RATES ARE AVAILABLE ON THE INTERNET @ HTTP://WWW.DIR.CA.GOV/OPRL/PWAPPWAGE/PWAPPWAGESTART.ASP.

& THE BASIC HOURLY RATE AND EMPLOYER PAYMENTS ARE NOT TAKEN FROM A COLLECTIVE BARGAINING AGREEMENT FOR THIS CRAFT OR CLASSIFICATION.

A INCLUDES AMOUNTS FOR DUES CHECK OFF, CONTRACT COMPLIANCE AND VACATION WHICH ARE NOT FACTORED INTO OVERTIME RATES.

B INCLUDES AN AMOUNT FOR IMI TRAINING FUND.

C SATURDAYS IN THE SAME WORK WEEK MAY BE WORKED AT STRAIGHT-TIME IF JOB IS SHUT DOWN DURING THE NORMAL WORKWEEK DUE TO INCLEMENT WEATHER, OR REASONS BEYOND THE CONTROL OF THE EMPLOYER.

D RATE APPLIES TO THE FIRST 2 DAILY OVERTIME HOURS AND THE FIRST 10 HOURS ON SATURDAY; ALL OTHER TIME IS PAID AT THE SUNDAY AND HOLIDAY OVERTIME HOURLY RATE.

E THE RATIO OF BRICK TENDERS TO BRICKLAYERS SHALL BE AS FOLLOWS: ONE (1) BRICK TENDER TO NO MORE THAN THREE (3) BRICKLAYERS DURING THE INSTALLATION OF BLOCK ON A TYPICAL MASONRY PROJECT.

F INCLUDES AN AMOUNT PER HOUR WORKED FOR ANNUITY TRUST FUND.

G INCLUDES AN AMOUNT PER HOUR WORKED FOR SUPPLEMENTAL DUES.

H INCLUDES AMOUNT WITHHELD FOR DUES CHECK OFF.

I RATE APPLIES TO THE FIRST 12 HOURS WORKED ON SATURDAY, ALL OTHER TIME IS PAID AT DOUBLE TIME. SATURDAY MAY BE WORKED AT THE STRAIGHT-TIME HOURLY RATE FOR THE FIRST 8 HOURS IF INCLEMENT WEATHER FORCES A SYNTHETIC/ARTIFICIAL TURF PROJECT TO SHUT DOWN DURING THE REGULAR WORK WEEK (MONDAY THOUGH FRIDAY).

J A MATERIAL HANDLER MAY BE UTILIZED IN RATIO OF ONE (1) MATERIAL HANDLER WITH ANY FIVE (5) JOURNEYMEN ON ANY GIVEN PROJECT.

K RATE APPLIES TO THE FIRST 12 HOURS ON SATURDAY, ALL OTHER TIME IS PAID AT DOUBLE TIME.

L RATE APPLIES TO FIRST 8 HOURS ONLY. DOUBLE TIME THEREAFTER. SATURDAYS IN THE SAME WORK WEEK MAY BE WORKED AT STRAIGHT-TIME IF JOB IS SHUT DOWN DURING THE NORMAL WORK WEEK DUE TO INCLEMENT WEATHER.

M IN ADDITION, AN AMOUNT EQUAL TO 3% OF THE BASIC HOURLY RATE IS ADDED TO THE TOTAL HOURLY RATE AND OVERTIME HOURLY RATES FOR THE NATIONAL EMPLOYEES BENEFIT BOARD.

N INCLUDES AN AMOUNT FOR THE NATIONAL LABOR-MANAGEMENT COOPERATION FUND AND THE ADMINISTRATIVE MAINTENANCE FUND.

O RATE APPLIES TO THE FIRST 4 DAILY OVERTIME HOURS AND THE FIRST 12 HOURS WORKED ON SATURDAY; ALL OTHER TIME IS PAID AT THE SUNDAY AND HOLIDAY OVERTIME HOURLY RATE.

P ZONE A IS DEFINED AS THE PORTION OF SAN BERNARDINO COUNTY 80 ROAD MILES FROM SAN BERNARDINO CITY HALL AT 290 N D STREET IN SAN BERNARDINO, CA 93401.

Q INCLUDES AMOUNT WITHHELD FOR WORKING DUES.

R IN ADDITION TO THE AMOUNT SHOWN, WHICH IS FACTORED AT THE APPLICABLE OVERTIME MULTIPLIER FOR EACH OVERTIME HOUR, $0.28 IS ADDED TO THE TOTAL HOURLY RATE AND OVERTIME HOURLY RATES FOR THE LABOR MANAGEMENTCOOPERATION COMMITTEE FUND. AMOUNT FOR LABOR MANAGEMENTCOOPERATION COMMITTEE FUND IS NOT FACTORED AT THE APPLICABLE OVERTIME MULTIPLIER

S RATE APPLIES TO THE FIRST 2 DAILY OVERTIME HOURS AND THE FIRST 8 HOURS ON SATURDAY ONLY; ALL OTHER TIME IS PAID AT THE SUNDAY AND HOLIDAY OVERTIME HOURLY RATE. ALL OVERTIME WORKED DAILY OR ON SATURDAYS, FOR SERVICE AND REPAIR WORK OTHER THAN NEW WORK, MAY BE PAID AT THE RATE OF TIME AND ONE-HALF.

T ZONE B INCLUDES ALL OF INYO AND MONO COUNTY AND THE PORTION OF SAN BERNARDINO COUNTY OVER 80 MILES FROM SAN BERNARDINO CITY HALL AT 290 NORTH D STREET IN SAN BERNARDINO, CA 93401.

U IN ADDITION TO THE AMOUNT SHOWN, WHICH IS FACTORED AT THE APPLICABLE OVERTIME MULTIPLIER FOR EACH OVERTIME HOUR, $0.38 IS ADDED TO THE TOTAL HOURLY RATE AND OVERTIME HOURLY RATES FOR THE LABOR MANAGEMENTCOOPERATION COMMITTEE FUND. AMOUNT FOR LABOR MANAGEMENTCOOPERATION COMMITTEE FUND IS NOT FACTORED AT THE APPLICABLE OVERTIME MULTIPLIER

V DICTIONARY OF OCCUPATIONAL TITLES, FOURTH EDITION, 1977, U.S. DEPARTMENT OF LABOR.

W INCLUDES AMOUNT WITHHELD FOR DUES CHECKOFF, WHICH IS FACTORED IN THE OVERTIME RATES. INCLUDES $5.00 FOR VACATION THAT IS NOT FACTORED IN THE OVERTIME RATES.

X INCLUDES AN AMOUNT PER HOUR WORKED OR PAID TO DISABILITY FUND.

Y INCLUDED IN STRAIGHT-TIME HOURLY RATE WHICH IS NOT FACTORED IN THE OVERTIME RATES.

Z RATE APPLIES TO THE FIRST 2 OVERTIME HOURS MONDAY THROUGH FRIDAY AND THE FIRST 8 HOURS WORKED ON SATURDAY. ALL OTHER TIME IS PAID AT THE SUNDAY AND HOLIDAY OVERTIME RATE.

AA INCLUDES AMOUNT WITHHELD FOR ADMINISTRATIVE DUES.

AB RATE APPLIES TO FIRST TWO DAILY OVERTIME HOURS WORKED; ALL OTHER OVERTIME IS PAID AT THE HOLIDAY OVERTIME HOURLY RATE.

AC SATURDAY OVERTIME HOURLY RATE SHALL NOT BE OWED FOR WORK PERFORMED ON A SATURDAY UNLESS AND UNTIL THE EMPLOYEE HAS WORKED 8 HOURS ON THAT DAY OR 40 HOURS OVER THE COURSE OF THE WORK WEEK OF WHICH THE SATURDAY IS A PART, WHICHEVER COMES FIRST. RATE APPLIES TO THE FIRST 8 HOURS WORKED ON A SIXTH OR SEVENTH CONSECUTIVE DAY DURING ANY ONE CALENDAR WEEK UP TO 50 HOURS IN ANY ONE CALENDAR WEEK. ALL HOURS IN EXCESS OF 10 HOURS DAILY OR 50 HOURS WEEKLY ARE PAID AT THE HOLIDAY RATE. SATURDAYS IN THE SAME WORK WEEK MAY BE WORKED AT STRAIGHT-TIME IF JOB IS SHUT DOWN DURING THE NORMAL WORKWEEK DUE TO INCLEMENT WEATHER.

AD RATE APPLIES TO WORK ON HOLIDAYS ONLY; SUNDAYS ARE PAID AT THE SATURDAY OVERTIME HOURLY RATE.

AE AN ADDITIONAL $3.00 PER HOUR WILL BE ADDED TO THE BASIC HOURLY RATE WHEN PERFORMING PAPERHANGING WORK.

AF DOUBLE TIME SHALL BE PAID FOR ALL HOURS WORKED OVER 12 HOURS IN ANY ONE DAY.

AG RATE APPLIES AFTER 36 MONTHS OF EXPERIENCE

AH RATE APPLIES TO ALL TIME WORKED IN EXCESS OF 8 HOURS IN ONE WORK DAY OR 40 HOURS IN ONE WORK WEEK MONDAY THROUGH SUNDAY; SATURDAY AND SUNDAY MAY BE WORKED AT THE STRAIGHT TIME RATE, PROVIDED THAT THE HOURS DO NOT EXCEED 8 HOURS IN ONE WORK DAY OR 40 HOURS IN ONE WORK WEEK.

AI RATE APPLIES TO ALL HOURS IN EXCESS OF 12 HOURS IN ONE WORK DAY, MONDAY THROUGH SATURDAY, AND TO ALL HOURS WORKED IN EXCESS OF 8 HOURS ON SUNDAYS. RATE ALSO APPLIES TO WORK ON HOLIDAYS. FOR WORK ON SUNDAY, SEE SATURDAY OVERTIME HOURLY RATE AND FOOTNOTE.

AJ RATE APPLIES TO FIRST 12 MONTHS OF EXPERIENCE

AK RATE APPLIES AFTER 12 MONTHS THROUGH 36 MONTHS EXPERIENCE

AL INCLUDES AN AMOUNT PER HOUR WORKED OR PAID FOR DUES CHECK OFF

AM SATURDAY IN THE SAME WORKWEEK MAY BE WORKED AT THE STRAIGHT-TIME HOURLY RATE IF IT IS NOT POSSIBLE TO COMPLETE FORTY HOURS OF WORK MONDAY THROUGH FRIDAY WHEN THE JOB IS SHUT DOWN DUE TO INCLEMENT WEATHER OR SIMILAR ACT OF GOD, OR BEYOND THE CONTRACTOR'S CONTROL.

AN RATE APPLIES TO THE FIRST 8 HOURS WORKED; ALL OTHER TIME IS PAID AT THE SUNDAY AND HOLIDAY OVERTIME HOURLY RATE.

AO THE RATIO OF PLASTER TENDERS TO PLASTERERS SHALL BE AS FOLLOWS: THERE SHALL BE A PLASTER TENDER ON THE JOBSITE WHENEVER THERE IS A PLASTERER PERFORMING WORK ON THE JOBSITE, EXCEPT ON SMALL PATCH WORK WHERE ONLY ONE PLASTERER IS PERFORMING WORK. FOR INSIDE BROWN COATINGS THERE SHALL BE 2 PLASTER TENDERS FOR UP TO EVERY 3 PLASTERERS. FOR INSIDE FINISH COATINGS THERE SHALL BE 1 PLASTER TENDER FOR UP TO EVERY 3 PLASTERERS. ON OUTSIDE FINISH AND BROWN COATINGS AND FOR ALL OTHER WORK, THERE SHALL BE 1 PLASTER TENDER FOR UP TO EVERY 2 PLASTERERS.

AP INCLUDES AN AMOUNT PER HOUR WORKED OR PAID FOR SUPPLEMENTAL DUES.

AQ ALL WORK PERFORMED AFTER TWELVE (12) HOURS IN A DAY SHALL BE PAID AT THE SUNDAY/HOLIDAY RATE.

AR RATE APPLIES TO THE FIRST EIGHT HOURS ON SATURDAY. ALL OTHER TIME IS PAID AT THE SUNDAY AND HOLIDAY OVERTIME RATE. SATURDAY WORK MAY BE PAID AT THE STRAIGHT TIME RATE IF THE JOB IS SHUT DOWN DURING THE NORMAL WORK WEEK DUE TO INCLEMENT WEATHER.

AS INCLUDES AN AMOUNT WITHHELD FOR ADMINISTRATIVE DUES WHICH IS NOT FACTORED INTO OVERTIME AND AN AMOUNT FOR VACATION WHICH IS FACTORED AT 1.5 TIMES FOR ALL OVERTIME.

AT INCLUDES AMOUNT FOR NATIONAL PENSION AND RETIREE'S X-MAS FUND.

AU AMOUNT INCLUDED IN BASIC HOURLY RATE AND FACTORED AT 1.5 TIMES FOR ALL OVERTIME.

AV INCLUDES AN AMOUNT FOR THE P.I.P.E. LABOR MANAGEMENT COOPERATION COMMITTEE AND THE CONTRACTOR EDUCATION & DEVELOPMENT FUND.

AW SATURDAYS IN THE SAME WORK WEEK MAY BE WORKED AT STRAIGHT-TIME IF JOB IS SHUT DOWN DURING THE NORMAL WORKWEEK DUE TO INCLEMENT WEATHER.

AX PIPE TRADESMEN SHALL NOT BE PERMITTED ON ANY JOB WITHOUT A JOURNEYMAN.

AY INCLUDES AN AMOUNT WITHHELD FOR ADMINISTRATIVE DUES WHICH IS NOT FACTORED IN THE OVERTIME RATES.

AZ SATURDAY MAY BE WORKED AT STRAIGHT-TIME RATE, PROVIDED THAT THE HOURS DO NOT EXCEED 8 HOURS PER DAY OR 40 HOURS PER WEEK.

BA DOUBLE TIME SHALL BE PAID FOR NEW YEAR'S DAY, EASTER SUNDAY, LABOR DAY, THANKSGIVING DAY, AND CHRISTMAS.

BB TRADESMEN SHALL ONLY BE USED IF THE FIRST WORKER ON THE JOB IS A LANDSCAPE/IRRIGATION FITTER, SECOND WORKER MUST BE A LANDSCAPE/IRRIGATION FITTER OR APPRENTICE LANDSCAPE/IRRIGATION FITTER. THE 3RD AND 4TH MAY BE A TRADESMAN. THE 5TH MUST BE A LANDSCAPE/IRRIGATION FITTER AND THEREAFTER TRADESMEN WILL BE REFERRED ON A 50-50 BASIS, TO JOURNEYMAN OR APPRENTICE.

BC RATE APPLIES TO REMAINDER OF COUNTY.

BD INCLUDES AN AMOUNT FOR SUPPLEMENTAL PENSION FUND.

BE APPLIES TO THE CITIES OF ONTARIO AND MONTCLAIR.

BF INCLUDED IN STRAIGHT-TIME HOURLY RATE.

BG AMOUNT IS FOR INDUSTRY PROMOTION FUND AND P.I.P.E. FUND.

BH RATE APPLIES TO THE FIRST 4 DAILY OVERTIME HOURS AND THE FIRST 10 HOURS ON SATURDAY; ALL OTHER TIME IS PAID AT THE SUNDAY AND HOLIDAY OVERTIME HOURLY RATE.

BI INCLUDE AMOUNTS FOR DUES CHECK OFF AND VACATION/HOLIDAY, WHICH ARE NOT FACTORED INTO OVERTIME.

BJ INCLUDED IN BASIC HOURLY RATE. VACATION IS NOT FACTORED INTO OVERTIME.

BK INCLUDE AMOUNTS FOR ADMINISTRATIVE FUND, COMPLIANCE FUND, INDUSTRY FUND, AND RESEARCH AND EDUCATION TRUST FUND.

BL RATE APPLIES TO THE FIRST 2 DAILY OVERTIME HOURS AND THE FIRST 10 HOURS ON SATURDAY; SUNDAY AND HOLIDAY OVERTIME HOURLY RATE WILL BE PAID AFTER 10 HOURS PER DAY AND ALL HOURS WORKED OVER 55 HOURS PER WEEK.

BM PURSUANT TO LABOR CODE SECTIONS 1773.1 AND 1773.8, THE AMOUNT PAID FOR THIS EMPLOYER PAYMENT MAY VARY RESULTING IN A LOWER TAXABLE BASIC HOURLY WAGE RATE, BUT THE TOTAL HOURLY RATES FOR STRAIGHT TIME AND OVERTIME MAY NOT BE LESS THAN THE GENERAL PREVAILING RATE OF PER DIEM WAGES.

BN RATE APPLIES FOR THE FIRST 4 OVERTIME HOURS MONDAY THROUGH FRIDAY AND THE FIRST 12 HOURS WORKED ON SATURDAY. ALL OTHER TIME IS PAID AT THE SUNDAY/HOLIDAY RATE. SATURDAYS IN THE SAME WORKWEEK MAY BE WORKED AT STRAIGHT-TIME IF JOB IS SHUT DOWN DURING THE NORMAL WORKWEEK DUE TO INCLEMENT WEATHER.

BO RATE APPLIES TO THE FIRST 8 HOURS WORKED ON A SIXTH OR SEVENTH CONSECUTIVE DAY DURING ANY ONE CALENDAR WEEK UP TO 50 HOURS IN ANY ONE CALENDAR WEEK. ALL OTHER TIME IS PAID AT THE HOLIDAY RATE.

RECOGNIZED HOLIDAYS: HOLIDAYS UPON WHICH THE GENERAL PREVAILING HOURLY WAGE RATE FOR HOLIDAY WORK SHALL BE PAID, SHALL BE ALL HOLIDAYS IN THE COLLECTIVE BARGAINING AGREEMENT, APPLICABLE TO THE PARTICULAR CRAFT, CLASSIFICATION, OR TYPE OF WORKER EMPLOYED ON THE PROJECT, WHICH IS ON FILE WITH THE DIRECTOR OF INDUSTRIAL RELATIONS. IF THE PREVAILING RATE IS NOT BASED ON A COLLECTIVELY BARGAINED RATE, THE HOLIDAYS UPON WHICH THE PREVAILING RATE SHALL BE PAID SHALL BE AS PROVIDED IN SECTION 6700 OF THE GOVERNMENT CODE. YOU MAY OBTAIN THE HOLIDAY PROVISIONS FOR THE CURRENT DETERMINATIONS ON THE INTERNET AT HTTP://WWW.DIR.CA.GOV/OPRL/DPreWageDetermination.htm. HOLIDAY PROVISIONS FOR THE CURRENT OR SUPERSEDED DETERMINATIONS MAY BE OBTAINED BY CONTACTING THE OFFICE OF THE DIRECTOR - RESEARCH UNIT AT (415) 703-4774.

TRAVEL AND/OR SUBSISTENCE: IN ACCORDANCE WITH LABOR CODE SECTIONS 1773.1 AND 1773.9, CONTRACTORS SHALL MAKE TRAVEL AND/OR SUBSISTENCE PAYMENTS TO EACH WORKER TO EXECUTE THE WORK. YOU MAY OBTAIN THE TRAVEL AND/OR SUBSISTENCE PROVISIONS FOR THE CURRENT DETERMINATIONS ON THE INTERNET AT HTTP://WWW.DIR.CA.GOV/OPRL/DPreWageDetermination.htm. TRAVEL AND/OR SUBSISTENCE REQUIREMENTS FOR CURRENT OR SUPERSEDED DETERMINATIONS MAY BE OBTAINED BY CONTACTING THE OFFICE OF THE DIRECTOR - RESEARCH UNIT AT (415) 703-4774.

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PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL CARPENTER #

RESIDENTIAL DETERMINATION: R-23-31-2-2024-1
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: June 30, 2025**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director – Research Unit at (415) 703-4774.

LOCALITY:
All localities within Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura Counties.

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Framer & Finisher	$39.44
Residential Insulation Installer	$25.35
Residential Shingler	$38.59
Residential Cabinet Installer	$39.15
Residential Subterranean Garage Concrete Constructor	$38.07
Residential Grade Slabber (Concrete)	$38.07
Residential Wood Floor Installer	$34.60

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates, please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.

(Continued)

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments	Amount
Health & Welfare	$8.75 per hour worked
Pension	$6.16 per hour worked
Vacation/Dues	$7.46 per hour worked ($6.46 for Residential Insulation Installer)
Training	$0.72 per hour worked ($0.40 for Residential Insulation Installer)
Other	$4.44 per hour worked ($4.20 for Residential Insulation Installer, $4.36 for Residential Shingler, and $4.34 for Residential Wood Floor Installer)

PREDETERMINED INCREASE(S):
Effective on July 1, 2025, there will be an increase of $3.50 allocated to wages and/or employer payments.

There are no further increases applicable to this determination.

STRAIGHT TIME HOURS:
Eight (8) hours per day, Monday through Friday, shall constitute a day's work.

OVERTIME:
The first four (4) overtime hours, Monday through Friday, and the first eight (8) hours worked on Saturday will be paid at one and one-half (1½x) the basic straight-time hourly rate. All other overtime hours, including Sundays and Holidays, will be paid at double (2x) the basic straight-time hourly rate. Saturdays in the same workweek may be worked at the straight-time hourly rate if the employee has been prevented from working during the normal workweek due to reasons beyond the control of the employer, such as inclement weather. Work under this provision shall be voluntary on the part of the employee.

RECOGNIZED HOLIDAYS:
New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving Day and Christmas Day. If any of the holidays fall on Sunday, the Monday following shall be observed as a holiday. If Christmas or New Years should fall on Saturday, the Friday preceding shall be considered a holiday.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL CARPENTER: FENCE BUILDER#

RESIDENTIAL DETERMINATION: R-23-31-20-2024-1
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: June 30, 2025**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director - Research Unit at (415) 703-4774.

LOCALITY:
All localities within Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura Counties.

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Fence Builder	$40.18

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments	Amount
Health & Welfare	$8.75 per hour worked
Pension	$6.00 per hour worked
Vacation/Dues	$6.21 per hour worked
Training	$0.67 per hour worked
Other	$3.07 per hour worked

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.

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PREDETERMINED INCREASE(S):
Effective July 1, 2025, there is a $3.40 predetermined increase allocated to wages and/or employer payments.
There are no further increases applicable to this determination.

STRAIGHT TIME HOURS:
Eight (8) hours per day, Monday through Friday, shall constitute a day's work.

OVERTIME:
The first four (4) overtime hours, Monday through Friday, and the first eight (8) hours worked on Saturday will be paid at one and one-half (1½x) the basic straight-time hourly rate. All other overtime hours, including Sundays and Holidays, will be paid at double (2x) the basic straight-time hourly rate. Saturdays in the same workweek may be worked at the straight-time hourly rate if the employee has been prevented from working during the normal workweek due to reasons beyond the control of the employer, such as inclement weather. Work under this provision shall be voluntary on the part of the employee.

RECOGNIZED HOLIDAYS:
New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving Day and Christmas Day. If any of the holidays fall on Sunday, the Monday following shall be observed as a holiday. If Christmas or New Years should fall on Saturday, the Friday preceding shall be considered a holiday.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

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PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL DRYWALL INSTALLER #

RESIDENTIAL DETERMINATION: R-31-X-41-2024-1A
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: June 30, 2025**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director – Research Unit at (415) 703-4774.

LOCALITY:
All localities within Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura Counties.

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Drywall Installer/Lather	$35.20

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments	Amount
Health & Welfare	$8.75 per hour worked
Pension	$6.16 per hour worked
Vacation/Dues	$7.46 per hour worked
Training	$0.72 per hour worked
Other	$4.77 per hour worked [1]

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.
[1] Includes amounts for Annuity, Cooperation Committee, Partnership for Jobs, Contract Administration, and Drywall Industry Fund.

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PREDETERMINED INCREASE(S):
Effective on July 1, 2025, there will be an increase of $2.45 allocated to wages and/or employer payments.

There are no further increases applicable to this determination.

STRAIGHT TIME HOURS:
Eight (8) hours per day, Monday through Friday, shall constitute a day's work. [2]

OVERTIME:
The first four (4) overtime hours, Monday through Friday, and the first eight (8) hours worked on Saturday will be paid at one and one-half (1½x) the basic straight-time hourly rate. All other overtime hours including Sundays and Holidays will be paid at double (2x) the basic straight-time hourly rate.

RECOGNIZED HOLIDAYS:
New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving Day, and Christmas Day. If any of the holidays fall on Sunday, the Monday following shall be considered a holiday. If Christmas or New Year's should fall on Saturday, the Friday preceding shall be considered a holiday.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

[2] Makeup days shall be permitted on Saturdays at the straight time rate for inclement weather and other conditions beyond the control of the Contractor.

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PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL ELECTRICIAN #

RESIDENTIAL DETERMINATION: R-61-477-3-2024-1
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: December 31, 2024**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director – Research Unit at (415) 703-4774.

LOCALITY:
All localities within Inyo, Mono, and San Bernardino Counties

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Electrician: Inside Wireman	$35.68

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments	Amount
Health & Welfare	$6.67 per hour worked
Pension	$2.07 per hour worked [1]
Training	$0.45 per hour worked
Other	$0.21 per hour worked [2]

PREDETERMINED INCREASE(S):

Effective January 1, 2025, there will be an increase of $0.16 to Health & Welfare.
There are no further increases applicable to this determination.

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STRAIGHT TIME HOURS:
Eight (8) hours per day, Monday through Friday shall constitute a day's work.

OVERTIME:
All work performed over eight (8) hours per day, Monday through Friday, and work performed on Saturdays shall be paid at one and one-half (1 1/2x) the basic straight-time hourly rate. All time worked on Sundays and Holidays shall be paid at double (2x) the basic straight-time hourly rate.

RECOGNIZED HOLIDAYS:
New Year's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Friday after Thanksgiving, and Christmas Day.

When the holiday falls on Saturday, the Friday prior shall be the recognized holiday. When the holiday falls on Sunday, the following Monday shall be the recognized holiday.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

[#] Indicates an apprenticeable craft. To obtain current residential apprentice wage rates, please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.
[1] Includes an amount equal to 3% of the Basic Hourly Rate for the National Employees Benefit Fund (NEBF) which is factored at the applicable overtime multiplier for each overtime hour.
[2] Includes an amount of $0.11 for the Labor Management Cooperation Committee (LMCC). Also includes an amount of $0.10 for the Administrative Maintenance Fund (AMF) which is factored at the applicable overtime multiplier for each overtime hour.

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PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL LABORER #

RESIDENTIAL DETERMINATION: R-23-102-2-2024-1
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: June 30, 2025**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director - Research Unit at (415) 703-4774.

LOCALITY:
All localities within Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura Counties.

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Laborer	$43.40
Residential Cleanup, Landscaping, Fencing (Chain Link and Wood)	$42.40

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments	Amount
Health & Welfare	$9.25 per hour worked
Pension	$9.51 per hour worked
Vacation/Dues	$4.12 per hour worked
Training	$0.80 per hour worked

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates, please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.

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Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

Employer Payments	Amount
Other	$0.06 per hour worked[1]

PREDETERMINED INCREASE(S):
Effective July 1, 2025, there is a $3.40 predetermined increase allocated to wages and/or employer payments.
There are no further increases applicable to this determination.

STRAIGHT TIME HOURS:
Eight (8) hours per day, forty (40) hours per week, Monday through Friday.[2]

OVERTIME:
One and a half (1½x) the basic straight-time hourly rate will be paid for all overtime hours except hours worked over 12 in a single workday, Sundays and Holidays, which shall be paid at double (2x) the basic straight-time hourly rate.

RECOGNIZED HOLIDAYS:
The following holidays shall be observed on the date designated by Federal Law: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day. If any of the above holidays should fall on Sunday, the Monday following shall be considered a legal holiday. If Christmas or New Year's should fall on Saturday, the Friday preceding shall be considered a legal holiday. Work on such days shall be paid for at the holiday overtime rate provided herein. No work shall be performed on Labor Day except in case of extreme urgency when life or property is in imminent danger.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

[1] Amount is for Laborers Trusts' Administrative Trust Fund.
[2] Saturdays may be worked at straight time if job is shut down during normal work week due to inclement weather or similar Act of God, or a situation beyond the employer's control.

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PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL PLASTER TENDER #

RESIDENTIAL DETERMINATION: R-102-X-16-2024-1
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: August 5, 2025**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director – Research Unit as (415) 703-4774.

LOCALITY:
All localities within Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura Counties.

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Plaster Tender	$44.12
Residential Plaster Clean-Up Laborer	$41.57

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments	Amount
Health & Welfare	$9.25 per hour worked
Pension	$11.47 per hour worked
Vacation/Dues	$5.30 per hour worked
Training	$1.20 per hour worked

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.

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Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

Employer Payments	Amount
Other	$0.96 per hour worked [1]

PREDETERMINED INCREASE(S)
Effective August 6, 2025, there will be an increase of $3.40 to be allocated to wages and/or employer payments.

There are no further increases applicable to this determination.

STRAIGHT TIME HOURS:
Eight (8) hours per day, Monday through Friday, shall constitute a day's work. Saturdays in the same workweek may be worked at the straight-time hourly rates if the job is shut down during the normal workweek due to inclement weather or other situation beyond the Contractor's control.

OVERTIME:
The first four (4) daily overtime hours worked and the first eight (8) hours worked on Saturday shall be paid at one and one-half (1½x) the basic straight-time hourly rate. All other overtime hours including Sundays and Holidays shall be paid at double (2x) the basic straight-time hourly rate.

RECOGNIZED HOLIDAYS:
New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Friday after Thanksgiving, and Christmas Day. If any of the holidays fall on Sunday, the Monday following shall be observed as a holiday. If Christmas or New Year's should fall on Saturday, the Friday preceding shall be observed as a holiday.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

[1] Includes an amount ($0.40) for Center for Contract Compliance, an amount ($0.50) for Administrative Trust, and an amount ($0.06) for Laborers' Trust Administrative Fund.

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL PLASTERER #

RESIDENTIAL DETERMINATION: R-203-X-2-2024-1
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: July 31, 2025**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director - Research Unit for specific rates at (415) 703-4774.

LOCALITY:
All localities within Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura Counties.

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Plasterer	$41.18

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments	Amount
Health & Welfare	$9.63 per hour worked
Pension	$9.84 per hour worked
Vacation & Holiday	$8.34 per hour worked [1]
Training	$1.49 per hour worked

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.
[1] Includes an amount ($0.71) for International Dues Check-off and an amount ($2.38) for Dues Check-off.

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Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

Employer Payments	Amount
Other	$1.19 per hour worked [2]

PREDETERMINED INCREASE(S):
Effective on August 1, 2025, there will be an increase of $3.50 allocated to wages and/or employer payments.
There are no further increases applicable to this determination.

STRAIGHT TIME HOURS:
Eight (8) hours per day, Monday through Friday, shall constitute a day's work. In the event, due to inclement weather or situation beyond the Contractor's control, it is not reasonably possible to complete forty (40) hours of work, Monday through Friday, then the balance of the forty (40) hours may be worked on Saturday at the straight time rate.

OVERTIME:
One and one-half (1½x) the basic straight-time hourly rate shall be paid for work performed for all daily overtime hours and the first eight (8) hours worked on Saturdays. Double (2x) the basic straight-time hourly rate shall be paid for work performed after the first twelve (12) hours in any work day, and after the first eight (8) hours on Saturdays, and for all work performed on Sundays and Holidays.

RECOGNIZED HOLIDAYS:
New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the Day after Thanksgiving, and Christmas Day. If any of the holidays fall on a Sunday, the following Monday shall be considered a legal holiday. If Christmas or New Year's falls on a Saturday, the preceding Friday shall be considered a legal holiday.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

[2] Includes an amount ($0.70) for Work Preservation, an amount ($0.48) for Administrative Trust Fund and an amount ($0.01) for Vacation Administration.

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL PLUMBER

RESIDENTIAL DETERMINATION: R-204-X-6-2024-1
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: August 31, 2025**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director - Research Unit at (415) 703-4774.

LOCALITY:
All localities within Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara and Ventura Counties.

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Plumber	47.05 [1]
Residential Pre-Trainee [2]	23.60 [1]
Residential Trainee 1 [2]	23.60 [1]
Residential Trainee 2 [2]	29.86 [1]
Residential Trainee 3 [2]	36.07 [1]

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments: Residential Plumber	Amount
Health & Welfare:	$9.26 per hour worked

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.
[1] Includes an amount ($1.95) withheld for dues check-off that is not factored into overtime and an amount for Vacation ($2.68 for Plumber and $1.02 for Pre-Trainee and Trainee classifications) that is factored at 1.5 times for all Overtime (even Double Time).
[2] One (1) Trainee may be employed for every one (1) Residential Plumber.

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Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

Employer Payments: Residential Plumber	**Amount**
Pension:	$11.00 per hour worked [3]
Training:	$2.27 per hour worked
Other:	$1.55 per hour worked

Employer Payments: Residential Pre-Trainee	**Amount**
Pension:	$0.90 per hour worked
Training:	$2.20 per hour worked
Other:	$1.55 per hour worked

Employer Payments: Residential Trainee 1	**Amount**
Health & Welfare:	$9.76 per hour worked
Pension:	$0.90 per hour worked
Training:	$2.20 per hour worked
Other:	$1.55 per hour worked

Employer Payments: Residential Trainee 2	**Amount**
Health & Welfare:	$9.76 per hour worked
Pension:	$0.90 per hour worked
Training:	$2.23 per hour worked
Other:	$1.55 per hour worked

Employer Payments: Residential Trainee 3	**Amount**
Health & Welfare:	$9.76 per hour worked
Pension:	$0.90 per hour worked
Training:	$2.27 per hour worked
Other:	$1.55 per hour worked

****PREDETERMINED INCREASE(S):**
Effective September 1, 2025: $2.03 to be allocated to wages and/or employer payments.
There will be no further increases applicable to this determination.
There are no predetermined increases applicable to the Residential Pre-Trainee and Residential Trainee classifications.

[3] Includes $0.90 for National Pension.

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Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

STRAIGHT TIME HOURS:
Eight (8) consecutive hours per day, Monday through Friday, shall constitute a day's work.

OVERTIME:
All hours worked over eight (8) hours a day and all hours worked on Saturday shall be paid at one and one-half (1½x) the basic straight-time hourly rate. All hours worked on Sundays and Holidays shall be paid at double (2x) the basic straight-time hourly rate.

RECOGNIZED HOLIDAYS:
New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL PLUMBER: FIRE SPRINKLER FITTER #

RESIDENTIAL DETERMINATION: R-204-669-1-2024-1C
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: December 31, 2024**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director – Research Unit at (415) 703-4774.

LOCALITY:
All localities within Imperial, Inyo, Kern (Portions of County east of Highway 14), Los Angeles (Excludes Los Angeles City limit and twenty-five miles beyond City limits of Los Angeles), Mono, Orange (Cities or Communities of Aliso Viejo, Capistrano Beach, Coto De Caza, Dana Point, El Toro USMC Air Station, Emerald Bay, Laguna Beach, Laguna Hills, Laguna Niguel, Lake Forest, Leisure World (Laguna Beach Area), Mission Viejo, Modjeska, Rancho Santa Margarita, San Clemente, Three Arch Bay, San Juan Capistrano, San Juan Hot Springs, Silverado Canyon, South Laguna, and Trabuco Canyon), Riverside, San Bernardino (Excludes Cities of Ontario and Montclair), and Ventura (Cities or Communities of Casitas Springs, Colonia, El Rio, Faria, Foster Park, Hollywood Beach, La Conchita, Live Oak Acres, Lockwood Valley, Meiners Oaks, Miramonte, Montalvo, Oak View, Ojai, Oxnard, Pierpont Bay, San Buenaventura, Saticoy, Seacliff, Solimar Beach, Summit, Ventura, and Wheeler Springs) Counties.

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Fire Sprinkler Fitter: Building Trades Journeyman [1]	$37.65

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.
[1] Applies to Fire Protection Sprinkler Fitter work, does not apply to other plumbing work.

(Continued)

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

Classifications	Basic Straight-Time Hourly Rate
Residential Fire Sprinkler Fitter: Residential Tradesman [1]	$37.65

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Building Trades Journeyman Employer Payments	Amount
Health & Welfare	$11.91 per hour worked
Pension	$15.46 per hour worked
Training	$0.54 per hour worked
Other	$0.25 per hour worked [2]

Residential Tradesman Employer Payments	Amount
Health & Welfare	$4.75 per hour worked
Pension	$1.15 per hour worked
Training	$0.10 per hour worked
Other	$0.25 per hour worked [2]

PREDETERMINED INCREASE(S):
All increases apply to Building Trades Journeyman only.

Effective on January 1, 2025, there will be an increase of $0.59 allocated as follows: $0.49 to Health and Welfare and $0.10 Pension.

There are no further increases applicable to this determination.

STRAIGHT TIME HOURS:
Eight (8) hours per day, Monday through Friday, shall constitute a day's work.

OVERTIME:
All residential overtime hours shall be paid at one and one-half (1½x) the basic straight-time hourly rate.

RECOGNIZED HOLIDAYS:
New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. If any of the holidays fall on Sunday, the Monday following shall be observed as a holiday. If any of the holidays should fall on Saturday, the Friday preceding shall be considered a holiday.

[2] Amount is for Industry Promotion Fund.

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TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL PLUMBER: FIRE SPRINKLER FITTER #

RESIDENTIAL DETERMINATION: R-204-709-1-2024-1
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: August 31, 2025**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director - Research Unit at (415) 703-4774.

LOCALITY:
All localities within **Los Angeles** (Los Angeles City limits and twenty-five (25) miles beyond City limits of Los Angeles), **Orange** (Excludes Cities or Communities of Aliso Viejo, Capistrano Beach, Coto de Caza, Daina Point, El Torousmc Air Station, Emerald Bay, Laguna Beach, Laguna Hills, Laguna Niguel, Lake Forest, Leisure World (Laguna Beach Area), Mission Viejo, Modjeska, Rancho Santa Margarita, San Clemente, Three Arch Bay, San Juan Capistrano, San Juan Hotsprings, Silverado Canyon, South Laguna & Trabuco Canyon), **San Bernardino** (Cities of Ontario and Montclair), and **Ventura** (Excludes Cities or Communities of Casitas Springs, Colonia, El Rio, Faria, Foster Park, Hollywood Beach, La Conchita, Live Oak Acres, Lockwood Valley, Meiners Oaks, Miramonte, Montalvo, Oak View, Ojai, Oxnard, Pierpont Bay, San Buenaventura, Saticoy, Seacliff, Solimar Beach, Summit, Ventura, and Wheeler Springs) Counties.

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates, please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.

(Continued)

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Fire Sprinkler Fitter: Building Trades Journeyman[1]	$39.12 [2]

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments	Amount
Health & Welfare	$10.91 per hour worked
Pension	$3.05 per hour worked
Training	$0.40 per hour worked
Other	$0.20 per hour worked

PREDETERMINED INCREASE(S):
Effective on September 1, 2025, there will be an increase of $0.10 to Training.

There are no further increases applicable to this determination.

STRAIGHT TIME HOURS:
Eight (8) consecutive hours per day, Monday through Friday, shall constitute a day's work.

OVERTIME:
One and one-half (1½x) the basic straight-time hourly rate will be paid for the first four (4) daily overtime hours and the first ten (10) hours worked on Saturday. Double (2x) the basic straight-time hourly rate will be paid for all hours worked on Sundays and Holidays, all hours worked in excess of four daily overtime hours and all hours worked in excess of ten (10) hours on Saturday.

RECOGNIZED HOLIDAYS:
New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the Friday after Thanksgiving Day, and Christmas Day. If any of the above holidays should fall on Saturday, the Friday preceding shall be considered a legal Holiday. If any of the above holidays should fall on Sunday, the Monday following shall be considered a legal Holiday.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

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[1] Applies to Fire Protection Sprinkler Fitter work only. Does not apply to other plumbing work.
[2] Includes an amount ($3.10) for Vacation.

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL ROOFER #

RESIDENTIAL DETERMINATION: R-232-36-1-2024-1
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: August 1, 2025*
Effective until superseded by a new determination issued by the Director of Industrial Relations. Contact the Office of the Director – Research Unit at (415) 703-4774 for the new rates after 10 days from the expiration date if no subsequent determination is issued.

LOCALITY:
All localities within Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties.

WAGE RATES:

Classifications	Basic Straight-Time Hourly Rate
Residential Roofer	$47.95[1]
Pitch Work	$49.70[1]

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments	Amount
Health & Welfare	$8.56 per hour worked
Pension	$11.14 per hour worked
Training	$0.53 per hour worked

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates, please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.
[1] Includes amounts for Dues Check-Off ($1.18) and Vacation ($3.00) which are not factored into the overtime hourly rates.

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Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

Employer Payments	Amount
Other	$0.72 per hour worked [2]

PREDETERMINED INCREASE(S):
* No predetermined increases.

STRAIGHT TIME HOURS:
Eight (8) hours per day, Monday through Friday, shall constitute a day's work.

OVERTIME:
Work performed on Saturdays and after eight (8) hours on a workday shall be paid at one and one-half (1½x) the basic straight-time hourly rate. Any work extending beyond ten (10) hours a day and over 55 hours per week and all overtime worked on Sundays and Holidays shall be paid at double (2x) the basic straight-time hourly rate.

RECOGNIZED HOLIDAYS:
New Year's Day, Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day. If any of the holidays fall on Saturday, then the preceding Friday shall be observed as a holiday. If any of the holidays fall on Sunday, the Monday following shall be observed as a holiday.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

[2] Includes amounts for Administrative Fund ($0.05), Compliance Fund ($0.33), Industry Fund ($0.25), and National Research and Education Fund ($0.09).

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773, & 1773.1

CRAFT: RESIDENTIAL SHEET METAL WORKER #

RESIDENTIAL DETERMINATION: R-166-102-2-2024-1
Pursuant to the California Code of Regulations Section 16001(d), residential projects consist of single-family homes and apartments up to and including four stories. This residential determination applies only to the residential portion of the project meeting this definition. Construction of any structures or ancillary facilities on the project that does not meet this definition requires the payment of the general commercial prevailing wage rates. The general commercial prevailing wage rates apply to all residential projects consisting of buildings of five or more stories. The residential prevailing wage rates apply to all residential projects consisting of buildings up to and including four stories.

ISSUE DATE: December 1, 2024

EXPIRATION DATE: July 31, 2025**
The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director – Research Unit at (415) 703-4774.

LOCALITY:
All localities within Inyo, Los Angeles (Portion of the County including Pomona, Claremont, Catalina Island, Long Beach and that portion south of Imperial Highway and east of the Los Angeles River), Mono, Orange, Riverside and San Bernardino Counties.

WAGE RATES:

Classification(s)	Basic Straight-Time Hourly Rate[1]
Residential Sheet Metal Worker	$38.07
Residential Jobsite Installer Tradesman, Level 5	$22.08
Residential Jobsite Installer Tradesman, Level 6	$23.22
Residential Jobsite Installer Tradesman, Level 7	$24.36
Residential Jobsite Installer Tradesman, Level 8	$25.89
Residential Jobsite Installer Tradesman, Level 9	$27.03

# Indicates an apprenticeable craft. To obtain current residential apprentice wage rates please email a request to statistics@dir.ca.gov or send to the Office of the Director – Research Unit at P.O. Box 420603, San Francisco, CA 94142-0603.
[1] Includes an amount for Working Dues Check-Off.

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Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

Classification(s)	Basic Straight-Time Hourly Rate[1]
Residential Jobsite Installer Tradesman, Level 10	$28.17
Residential Jobsite Installer Tradesman, Level 11	$29.69
Residential Jobsite Installer Tradesman, Level 12	$30.84
Residential Jobsite Installer Tradesman, Level 13	$31.98

EMPLOYER PAYMENTS: (Labor Code Section 1773.1)

Employer Payments (Residential Sheet Metal Worker)	Amount
Health & Welfare:	$6.22 per hour worked
Pension[2]:	$4.57 per hour worked
Training:	$0.12 per hour worked
Other:	$0.03 per hour worked

Employer Payments (Residential Jobsite Installer Tradesman) (All Levels)	Amount
Health & Welfare:	$6.22 per hour worked
Pension[2]:	$3.18 per hour worked
Training:	$0.12 per hour worked
Other:	$0.03 per hour worked

PREDETERMINED INCREASE(S):
**For Residential Sheet Metal Worker:
Effective on August 1, 2025, there will be an increase of $0.25 to Pension and $2.25 to be allocated to wages and/or employer payments.
Effective on August 1, 2026, there will be an increase of $2.50 to be allocated to wages and/or employer payments.
There will be no further increases applicable to this determination.

*For Residential Jobsite Installer Tradesman (All Levels):
There are no predetermined increases applicable to these classifications.

[2] Pursuant to Labor Code Sections 1773.1 and 1773.8, the amount paid for this employer payment may vary resulting in a lower taxable basic hourly wage rate, but the total hourly rates for straight time and overtime may not be less than the general prevailing rate of per diem wages.

(Continued)

Docusign Envelope ID: 833BC26E-C065-4834-9200-CEF1802D656E

STRAIGHT TIME HOURS:
Eight (8) hours per day, Monday through Friday, shall constitute a day's work. Saturdays in the same workweek may be worked at the straight-time hourly rates if the job is shut down during the normal workweek due to inclement weather.

OVERTIME:
The first four (4) overtime hours, Monday through Friday, and the first twelve (12) hours worked on Saturday will be paid at one and one-half (1½x) times the basic straight-time hourly rate. All other overtime hours including all hours worked on Sundays and Holidays will be paid at double (2x) the basic straight-time hourly rate.

RECOGNIZED HOLIDAYS:
New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Friday after Thanksgiving Day, Christmas Eve, and Christmas Day. When any holiday falls on Sunday, excluding Easter Sunday, the Monday after shall be a holiday.

TRAVEL AND SUBSISTENCE:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. Travel and/or subsistence requirements for each craft, classification, or type of worker may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Contract Amendment with Reliant Asset Management Solutions for Inspection and Independent Entity Services

RECOMMENDATION(S)

1. Approve Amendment No. 3 to the contract PC1336, effective April 1, 2026, for Inspection Services and Project-Based Voucher Independent Entity Services with Reliant Asset Management Solutions, increasing the compensation by $44,046 for a total amount not to exceed $1,286,160 through November 30, 2026.
2. Authorize and direct the Executive Director to execute and deliver the contract amendment to Reliant Asset Management Solutions, and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

FINANCIAL IMPACT

The total contract amount is not expected to exceed $1,286,160 and is funded by the Housing Services department's operating budget. The first-year option is included in the adopted FY 2026 budget.

BACKGROUND INFORMATION

The Housing Authority of the County of San Bernardino (HACSB) is required to conduct inspections of all subsidized units to ensure they are decent, safe, and sanitary and meet the standards required by the U.S. Department of Housing and Urban Development (HUD). Currently, two third-party vendors conduct housing inspections on behalf of HACSB for all assisted units prior to initial occupancy and annually or biannually thereafter. All contract inspectors are trained and certified to perform these inspections. HUD also requires that housing authorities ensure that rents charged by landlords to Housing Services program participants are reasonable. Therefore, the inspection vendor must compare the rent for the assisted unit to rents for similar unassisted units in the marketplace, as well as compare the rent to rents for similar units on the premises. This process is called rent reasonableness because it ensures that the rents are fair and reasonable for the area. Inspectors also use rent reasonableness to negotiate rents with the various landlords as required.

HUD regulations require that housing authorities use an Independent Entity, such as a vendor, to conduct inspections and rent reasonableness for housing authority owned units assisted under the voucher program. Reliant Asset Management (Reliant) was not approved by HUD to serve as HACSB's Independent Entity because of HACSB representation on Reliant's board. Therefore, HACSB contracted with Executive Inspections to serve as the Independent Entity.

Due to the additional cost and inefficiency involved with having two vendors, HACSB documented its intent to exercise the waiver of the Independent Entity requirement in the 2026 Moving to Work Plan, which was approved by HUD. This waiver permits Reliant to conduct inspections and rent reasonableness on HACSB-owned properties and properties that Reliant manages. HACSB will conduct oversight to ensure that all rents determined under this waiver remain rent reasonable and consistent with applicable regulations. The proposed contract increase covers the additional work to be completed by Reliant on HACSB-owned and Reliant-managed properties that are currently contracted with Executive Inspections. If Amendment No. 3 is approved, HACSB will terminate the contract with Executive Inspections on or about April 30, 2026. The estimated savings for this change will be $13,315 in the five remaining months of FY 2026. There is a one month overlap as Reliant will commence providing the additional services effective April 1, 2026, while Executive Inspections will be closing out any pending services such as re-inspections as of April 30, 2026.

PROCUREMENT

On July 31, 2023, HACSB issued a Request for Proposal (RFP) PC1336 for Inspection Services and Project Based Voucher Independent Entity Services, which resulted in the receipt of two proposals. Outreach efforts included email invitations to six vendors posting on the agency's electronic bidding software, PlanetBids.com. The proposals were evaluated per the requirements of the RFP in which Reliant was considered the most responsive and qualified to provide this service to HACSB.

On November 14, 2023, the HACSB Board of Commissioners approved contract No. PC1336 with Reliant for Inspection Services and Project Based Voucher Independent Entity Services for a total of $845,937.00 for a two-year base period from December 1, 2023 through November 30, 2025.

On July 1, 2024, HACSB approved Amendment No. 1 to update the number of estimated units inspected with no additional funds required or added.

On October 14, 2025, the HACSB Board of Commissioners approved Amendment No. 2 to exercise the first option year and increase the contract amount by $396,177 for a total not to exceed $1,242,114 for additional services through November 30, 2026.

ITEM ATTACHMENTS

- Contract– Amendment No. 3 to Contract for Inspection Services and PBV Independent Entity Services

REVIEW BY OTHERS

This item was prepared by General Legal Counsel, Fred Galante, on February 26, 2026.

AMENDMENT #3 TO CONTRACT FOR INSPECTION SERVICES AND PBV INDEPENDENT ENTITY SERVICES
(PC1336)

BETWEEN

THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

And

RELIANT ASSET MANAGEMENT SOLUTIONS (RAMS)

This Amendment No. 3 ("Third Amendment"), dated April 1, 2026 ("Effective Date"), to Agreement for Inspection Services and PBV Independent Entity Services (PC1336), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body, ("Authority") and Reliant Asset Management Solutions (RAMS) ("Contractor").

RECITALS

WHEREAS, the Authority and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated December 1, 2023, relating to Inspection Services ("Agreement") with a total price of $845,937.00;

WHEREAS, the Authority and Contractor entered into Amendment No. 1 to the Agreement to update the number of estimated units inspected.

WHEREAS, the Authority and Contractor entered into Amendment No. 2 to the Agreement to exercise the first option year through November 30, 2026, and increase the contract by $396,177 for a total amount not-to-exceed $1,242,114.

WHEREAS, the Authority and Contractor now wish to enter into this Third Amendment to the Agreement to increase the contract by $44,046 for a total amount not to exceed $1,286,160 through November 30, 2026, to cover additional work to be completed by Contractor on Authority-owned and Contractor-managed properties.

OPERATIVE PROVISIONS

NOW, THEREFORE, the foregoing Recitals being true and correct, and in consideration of the mutual covenants and obligations contained in this Third Amendment

by the parties and other consideration, the sufficiency of which is hereby expressly acknowledged, the Parties hereto agree as follows:

Section 1. Article 4 of the Agreement, entitled "Price" is hereby amended to increase the compensation payable to Contractor for the provision of the Work for the total not-to-exceed sum as shown in the Total Agreement Cost set forth on Exhibit "A-1. Except as so amended, the other provisions of Article 4 shall remain unmodified and in full force and effect.

Section 2. Continuing Effect of Agreement. Except as amended by this Third Agreement, all provisions of the Agreement, as amended, shall remain unchanged and in full force and effect. From and after the date of this Third Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by this Second Amendment.

Section 3. Affirmation of Agreement; Warranty Re Absence of Defaults. Authority and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement, as amended. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than by way of this Third Amendment as provided herein. Each party represents and warrants to the other that the Agreement, as amended by this Third Amendment, is currently an effective, valid, and binding obligation.

Consultant represents and warrants to Authority that, as of the date of this Third Amendment, Authority is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

Authority represents and warrants to Consultant that, as of the date of this Third Amendment, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

Section 4. Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Third Amendment.

Section 5. Authorization. The persons executing this Third Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Third Amendment, such party is formally bound to the provisions of this Third Amendment, and (iv) the entering into this Third Amendment does not violate any provision of any other agreement to which said party is bound.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Reliant Asset Management Solutions (RAMS) hereby execute this Third Amendment.

RELIANT ASSET MANAGEMENT SOLUTIONS (RAMS)

By:_____

Name:_____

Title:_____

Date:_____

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By:_____

Name: Maria Razo

Title: __Executive Director_____

Date:_____

Exhibit A-1

Schedule Dates:

Effective Date: April 1, 2026

Completion Date: November 30, 2026

Total Agreement Cost: **Not to exceed $1,286,160.00**

Fee Schedule:

	Units	Rate	Total
Initial	127	$41.88	$5,318.76
Annual/Biennial	155	$40.87	$6,334.85
PBV/RAD	515	$20.13	$10,366.95
Re-Inspections	80	$42.39	$3,391.20
Rent Reasonableness (Initials & PBV/RAD)	450	41.41	$18,634.50
			$44,046.26

Original Agreement Amount Not to Exceed	**$845,937.00**
Net Change Orders Previously Approved	**$0.00**
Net Change Order Previously Approved – Amendment #1	**$0.00**
Net Change Order – Previously Approved - Amendment #2	**$396,177.00**
Net Change Order – Amendment #3	**$44,046.00**
Agreement Value as Amended Not to Exceed	**$1,286,160.00**

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Non-Financial Memorandums of Understanding with Step Up for the Continuum of Care Grant Programs

RECOMMENDATION(S)

1. Retroactively approve four non-financial Memorandums of Understanding with Step Up for the Continuum of Care grants, for the provision of in-kind case management services to participants in the following four separate programs:
   a. Cornerstone program
   b. Lantern Woods program
   c. Laurelbrook Estates program
   d. Project Gateway program
2. Authorize and direct the Executive Director to execute and deliver a Memorandum of Understanding for each Continuum of Care grant to Step Up, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
3. Authorize and direct the Executive Director to execute and deliver annual renewals of the Memorandum of Understanding for each Continuum of Care grant upon grant renewal to Step Up, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.
Aspirational Statement #5: To create, build and utilize partnerships that provide opportunities and create a meaningful difference in the lives of the families that we serve, maximizing our resources by mobilizing the talents of our community partners.

FINANCIAL IMPACT

The recommended Memorandums of Understanding (MOU) with Step Up are non-financial and as such do not have a financial impact on the Housing Authority of the County of San Bernardino (HACSB).

BACKGROUND INFORMATION

HACSB receives the United States Department of Housing and Urban Development's (HUD) Continuum of Care (CoC) funding to serve chronically homeless persons in the county through permanent supportive housing assistance. With the grant funds, HACSB provides rental subsidies and administers the housing assistance. As an in-kind service, community service providers provide families with case management and other supportive service referrals. The partnership provides a wide range of services to support the housing stability of families to prevent a return to homelessness. HACSB may serve up to 286 families in this program encompassing four ongoing CoC grants.

CoC grants require an in-kind match of 25 percent of the grant amount. The matching requirement is met through the supportive services provided by the San Bernardino County Department of Behavioral Health (DBH) and two DBH contractors: Step Up and Valley Star. Each year, HACSB executes annual renewal MOUs with DBH for the services. Each MOU must include the in-kind match amount, grant number, and term. The grant number, term and match amount change annually. Therefore, a new MOU with DBH for each grant with an in-kind match was required to be executed annually. As such, on April 12, 2022, the Board authorized the Executive Director to execute and deliver annual renewals of the MOU with DBH. Subsequent annual renewal MOUs were executed based on this prior authorization received by the Board.

As in prior years, HACSB executed the 2025 renewal MOUs with DBH and submitted the MOUs to HUD as a part of the grant renewal process. However, HUD recently informed HACSB of the need to have separate MOUs with DBH's contractors for each grant for which the contractor is providing direct services to CoC families, and the MOUs had to be backdated to the start of the grant. HUD provided a short deadline for the MOU to be executed, which did not allow sufficient time to bring the MOU to the Board for approval. Since HUD had locked HACSB's funding, the payments to landlords were being fronted by the agency, as a result the MOU's were urgently executed to resume the funding. As such, retroactive approval of the MOU and authorization to execute future annual renewals of the MOU is being brought to the board.

Grant Name	Grant Number	Grant Term
Cornerstone	CA1138L9D092409	11/1/2025 – 10/31/2026
Lantern Woods	CA1018L9D092409	12/1/2025 – 11/30/2026
Laurelbrook Estates	CA0876L9D092410	5/1/2025 – 4/30/2026
Project Gateway	CA0878L9D092410	3/1/2025 – 2/28/2026

PROCUREMENT
Not applicable

ITEM ATTACHMENTS
- Contract - MOU between HACSB and Step Up for In-Kind Service Match Related to the Cornerstone Program
- Contract - MOU between HACSB and Step Up for In-Kind Service Match Related to Lantern Woods
- Contract - MOU between HACSB and Step Up for In-Kind Service Match Related to Laurelbrook Estates
- Contract - MOU between HACSB and Step Up for In-Kind Service Match Related to Project Gateway

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

Docusign Envelope ID: AF8708DD-1BB0-4F95-9428-6831504BC700

MEMORANDUM OF UNDERSTANDING

between

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

and

STEP UP

for

IN-KIND SERVICE MATCH RELATED TO THE CORNERSTONE PROGRAM

November 1, 2025- October 31, 2026

WHEREAS, Housing Authority of the County of San Bernardino, Continuum of Care grantee, hereinafter referred to as HACSB, provides rental assistance to chronically homeless families who are in need of case management and supportive services through Continuum of Care (CoC) grant CA1138L9D092409 and

WHEREAS, Step Up, provides case management and supportive services to eligible chronically homeless clients and their families in need of permanent housing in San Bernardino County who meet medical necessity, agree to participate in services, and have been referred to Step Up by DBH; and

WHEREAS, HACSB agrees to work with Step Up in assisting eligible families to access housing, and in return Step Up agrees to provide in-kind case management services to FSP enrolled participants in the Cornerstone Program; and

WHEREAS, HACSB and Step Up desire an agreement for the purpose of defining their respective roles in both providing housing assistance and supportive services to participants in the Cornerstone Program (Program) in order to achieve and maintain an enriched quality of life; and

NOW THEREFORE, Step Up and HACSB mutually agree to the following terms and conditions:

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ATTACHMENT I- BUSINESS ASSOCIATE AGREEMENT

ATTACHMENT II- EXHIBIT A- "PROVIDER RATES"

I. PURPOSE

This Memorandum of Understanding (MOU) outlines the collaborative efforts between HACSB and Step Up regarding the Cornerstone program Continuum of Care (CoC) grant CA1138L9D092409. This grant is to provide housing and supportive services to the most vulnerable, chronically homeless individuals and families. The value of the supportive services will be used to satisfy the match requirement of the U.S. Department of Housing and Urban Development's (HUD) CoC program.

The primary goal of this grant is to assist the chronically homeless individuals/family to successfully transition into and maintain permanent supportive housing.

Rental Assistance for 231 families is available. The Coordinated Entry System (CES) will identify and refer chronically homeless individuals and families as defined in Section II. HACSB will administer the rental assistance while Step Up will provide case management and supportive services to participants who meet medical necessity, agree to participate in FSP volunteer services, and have been referred to Step Up through DBH.

The rental assistance is funded by the HUD and HACSB is the grantee. As such it is HACSB's responsibility to determine if the household meets program eligibility.

II. DEFINITIONS

1. *Authorization for Release of Protected Health Information* - A Health Insurance Portability and Accountability Act compliant authorization signed by the client or client's legal representative, authorizing Step Up to release the client's information to a designated recipient. This form must be completed thoroughly with specified records to be shared, a designated time frame and expiration date, as well as a signature by the Step Up client or his/her legal representative. If the form is signed by a legal representative, proof from the court system designating legal representation must accompany the request.

2. *Chronically Homeless* - Refers to a homeless individual who has experienced homelessness for a year or longer, or who has experienced at least four episodes of homelessness in the last three years and has a disability.

3. *Clients/Participants* - Refers to persons enrolled into the Program. HACSB considers those enrolled in the Program as "participants" or "tenants" while Step Up staff refers to them as "clients."

4. *Coordinated Entry System (CES)* - A County-wide, centralized and streamlined process of identifying those who are homeless and triaging the housing search and match for those who are chronically homeless.

5. *Step Up* - Step Up is responsible for providing specialty mental health services and/or substance use disorder services to County residents who are experiencing mental illness and/or substance use disorders. Step Up provides treatment services and education for communities and residents of San Bernardino County through contracts with community-based organizations and clinics with the goal of promoting prevention, intervention, recovery, and resiliency for individuals and families.

6. *Family* - Used interchangeably with "applicant" or "participant" and indicates household constellations that consist of adults and/or adults with children.

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7. *Health Insurance Portability and Accountability Act (HIPAA)* -A federal law designed to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and for other purposes.

8. *Moving on Program* - A program that assists tenants who are ready and wish to leave Permanent Supportive Housing (PSH) by connecting them with affordable housing, financial assistance, and transition support (services to help tenants prepare for, navigate, and adjust to their transition out of PSH).

9. *Personally Identifiable Information (PII)* - PII is information that can be used alone or in conjunction with other personal or identifying information, which is linked or linkable to a specific individual. This includes; name, social security number, date of birth, address, driver's license, photo identification, other identifying number (case number, client index number, and transactional database system number /medical record number, etc.).

10. *Protected Health Information (PHI)* - PHI is individually identifiable health information held or transmitted by a covered entity or its business associate, in any form or media, whether electronic, paper or oral. Individually identifiable information is information, including demographic data, that relates to the individual's past, present or future physical or mental health or condition; the provision of health care to the individual; or the past, present, or future payment for the provision of health care to the individual, and identifies the individual or for which there is reasonable basis to believe it can be used to identify the individual. PHI excludes individually identifiable health information in education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; in records described at 20 U.S.C. 1232g(a)(4)(B)(iv); in employment records held by a covered entity in its role as employer; and regarding a person who has been deceased for more than fifty (50) years.

11. *Program or Continuum of Care CoC Program* - Refers broadly to the provision of U.S. Department of Housing and Urban Development's CoC Program to provide housing and supportive services to the most vulnerable chronically homeless individuals and families.

12. *Permanent Supportive Housing (PSH)* - Refers to permanent housing programs in which participants receive subsidized affordable housing, referral to mainstream services, as well as clinical and social support to assist a client to maintain their residency, psychiatric stability, and to attain a level of independence.

13. *Tenant* - Used to refer to participants in terms of their relation to landlords.

14. *Landlord* - Refers to an individual, firm, corporation, partnership, or similar entity that holds title to the housing that receives funding through rental subsidies on behalf of this Program.

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III. HACSB RESPONSIBILITIES

HACSB shall:

1. Accept referrals from CES and screen applicants to ensure individuals meet HUD determined guidelines governing the Program, including chronically homeless criteria.

2. HACSB follows Housing First principles with its CoC programs.

3. Notify the applicant of acceptance into the Program and inform the applicant about attending an orientation meeting to provide instructions to applicants on policies and to outline applicants' rental responsibilities.

4. Conduct initial and periodic unit inspections to ensure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards or applicable HUD standard.

5. Determine if the contract rent for each approved unit meets rent reasonableness.

6. Approve payment of the difference between the rent approved by HACSB and Tenant rent amount.

7. Ensure that Landlords understand their rights and responsibilities under the Program and respond to complaints and appeals regarding housing services.

8. Administer the rental assistance in accordance with applicable Program regulations and requirements.

9. Provide training to Step Up staff on HACSB's procedures and Program requirements.

10. Maintain valid consent to release information relevant to the program and its requirements signed by each applicant in the Program to ensure open communication between Step Up and HACSB to support housing retention efforts.

11. Have staff complete all required Homeless Management Information System (HMIS) training courses and ensure that data entry into HMIS meets quality standards.

12. Submit the Annual Performance Report in Sage.

13. Document at least 25% in-kind match for the amount of funding received.

14. Conduct regular monthly meetings with Step Up.

15. Comply with all provisions of this MOU and ATTACHMENT I - Business Associate Agreement.

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IV. STEP UP RESPONSIBILITIES

Step Up shall:

1. Agree to provide the following services:
    a. Assessment of Service Needs
    b. Case Management
    c. Employment Assistance
    d. Housing/Counseling Services
    e. Life Skills
    f. Mental Health Services
    g. Outreach Services
    h. Substance Abuse Treatment Services
    i. Transportation
2. Commit to an in-kind service value match of $1,297,560.
3. If there is drug-related criminal activity pertaining to possession or being under the influence, Step Up in collaboration with DBH will work with client-family member with enrollment, attendance, and participation in treatment related activities.
4. Work with client-family to address any outstanding criminal issues that might create future barriers to successfully sustain their housing over time and enhance opportunities for personal and economic growth where appropriate.
5. Provide adequate staff resources to provide case management to eligible families and enrolled individuals.
6. Provide transitional support to clients identified as candidates for the Moving On Program, which includes educating clients on changes to the housing program, providing community resources, and assisting with resources and housing stabilization for clients who are relocated.
7. Provide aftercare services for clients who are transitioning to the Moving on Program for at least 24 months following the client's transition from the CoC program. Services may include but are not limited to a variety of supports around health care engagement, medication assistance, connection to social services, independent living skills coaching, housing stabilization, and assistance with housing program compliance.
8. Attend regular meetings with HACSB.
9. Comply with all requirements of the Cornerstone Program Continuum of Care (CoC) grant CA1138L9D092409.
10. Comply with the provisions of this MOU.

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V. STEP UP GENERAL RESPONSIBILITIES

Pursuant to HIPAA, Step Up has implemented administrative, physical, and technical safeguard to protect the confidentiality, integrity, and availability of PHI transmitted or maintained in any form or medium.

VI. MUTUAL RESPONSIBILITIES

1. Step Up and HACSB enter into this MOU to provide supportive services and rental assistance for qualified chronically homeless individuals and families.

2. Comply with the relevant grant eligibility requirements of the CoC Program.

3. Agree to ensure the coordination and collaboration between staff in each agency to the benefit of county residents experiencing homelessness and entering the county's system of care.

4. Ensure the appropriate data sharing and releases of information are in place.

5. Monitor and ensure compliance with service delivery, rental subsides, fiscal tracking, and program expenditures.

6. On a monthly basis, meet to ensure routine collaboration between agencies for the benefit of participants.

7. Adherence to all State and Federal privacy laws in the processing and inter-agency collaboration.

8. On a routine basis will exchange data regarding rental subsidies, client data, client outcome measures and any data required by State Department of Mental Health or discretionary reports requested by each agency.

9. Collaboration between HACSB and Step Up staff will be maintained to ensure that all services are consistent with Federal and State Fair Housing guidelines, regulations from the State Department of Mental Health and/or each agency's standard policies and procedures.

10. Applications must be evaluated and meet the criteria established by each agency prior to admitting into the Program. Each agency will be responsible for completing an independent screening of applicants, based on the agency's guidelines and qualifications. Step Up will evaluate applications to ensure compliance with mental health disability-related requirements while HACSB will evaluate applications to ensure clearance of eligibility standards of the related rental assistance grant.

11. Agree to collaborate on future Notice of Funding Availability (NOFA) for the Program and provide information requested in the NOFA to HACSB in a timely manner.

12. Privacy and Security

    a. Both parties shall adhere to any applicable privacy-related policies pertaining to PII. Step Up has a specific responsibility to comply with all applicable State and Federal regulations pertaining to privacy and security of client PHI and strictly maintain the confidentiality of behavioral health records, and HACSB

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shall assist Step Up in upholding said confidentiality by applying safeguards as discussed herein. Regulations have been promulgated governing the privacy and security of individually identifiable health information (IIHI) PHI or electronic Protected Health Information (ePHI).

b. In addition to the aforementioned protection of IIHI, PHI and e-PHI, both parties shall adhere to the protection of PII and Medi-Cal PII. PII includes any information that can be used to search for or identify individuals such as but not limited to name, social security number or date of birth. Medi-Cal PII is the information that is directly obtained in the course of performing an administrative function on behalf of Medi-Cal, such as determining eligibility that can be used alone in conjunction with any other information to identify an individual.

c. Reporting Improper Access, Use, or Disclosure of Unsecure PHI and PII

Upon discovery of any unauthorized use, access or disclosure of PHI or any other security incident with regards to PHI or PII, HACSB agrees to report to Step Up no later than one (1) business day upon the discovery of a potential breach. HACSB shall cooperate and provide information to HACSB to assist with appropriate reporting requirements.

13. Both parties shall ensure any Step Up client PHI that is stored on its premises will be locked and secure in adherence to IIHI and PHI privacy requirements.

VII. FISCAL PROVISIONS

This is a coordination of services agreement, there is no payment of costs or fiscal obligations between the agencies. HACSB and Step Up are individually responsible for any costs incurred by their respective organizations due to commitments described in this MOU. Staffing will be maintained by each agency per the department budgets and the Exhibit A-Provider Rates attachment. Staffing is required to operate the services required under this MOU.

As part of the Cornerstone Program CoC grant CA1138L9D092409, HACSB is required to document at least 25% in-kind match for the amount of funding received. The value of the services provided by Step Up will contribute to meeting the required annual match. As required by HUD regulations, rates for services must be consistent with those ordinarily paid by other employers for similar work. This value is based on the negotiated rates established Cal Aim for each Medi-Cal mode and service function that Step Up is certified to provide based on the most recently filed cost report and trended forward using a cost of living index. This best represents how services are delivered and can be quantified to an applicable cost that includes both the salaries and benefits for staff as well as the applicable operating services those staff would incur, which collectively represents the cost of service to support the in-kind match requirement.

VIII. RIGHT TO MONITOR AND AUDIT

HACSB and Step Up shall cooperate in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements as established by HUD to administer the Program.

HACSB and Step Up further agree to cooperate with HUD, maintain, and provide requested data to HUD and follow all evaluation protocols established by HUD.

IX. TERM

The MOU is effective as of November 1, 2025, and expires October 31, 2026.

X. DESIGNATED PROGRAM LIAISONS

The following individuals will serve as the lead liaison for the program.

HACSB's liaison is as follows:
Name and Title: Mayra Small, Housing Services Manager
Address: 672 S. Waterman Avenue,
San Bernardino, CA 92408
E-mail Address: msmall@hacsb.com
Telephone Number: 909-890-5306
Fax Number: 909-890-5306

Step Up liaison is as follows:
Name and Title: Eddie Estrada, Vice President
Address: 290 North D Street, Suite 700
San Bernardino, CA 92401
E-mail Address: eestrada@stepup.org
Telephone Number: (909) 677-7275
Fax Number: (909) 313-2320

XI. INDEMNIFICATION

1. HACSB agrees to indemnify, defend and hold harmless Step Up, its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of HACSB, including the acts, errors or omissions of HACSB and for any costs or expenses incurred by Step Up on account of any claim resulting from the acts or negligence of HACSB or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

2. Step Up agrees to indemnify, defend and hold harmless HACSB and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of Step Up, including the acts, errors or omissions of Step Up and for any costs or expenses incurred by HACSB on account of any claim resulting from the acts or negligence of Step Up or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

3. If the Parties are determined to be comparatively at fault for any claim, action, loss, or

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damage which results from their respective obligations under this Agreement, each Party shall indemnify the others to the extent of its comparative fault as determined in a legal action.

XII. GENERAL PROVISIONS

1. No waiver of any of the provisions of the MOU documents shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under any MOU document shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.

2. Any alterations, variations, modifications, or waivers of provisions of the MOU, unless specifically allowed in the MOU, shall be valid only when they have been reduced to writing, duly signed, and approved by the Authorized Representatives of both parties as an amendment to this MOU. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

3. This MOU shall be governed by and construed according to the laws of the State of California. The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, San Bernardino County, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this MOU is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, San Bernardino District.

4. Either party reserves the right to terminate the Contract, for cause or lack of funding, with a thirty (30) day written notice of termination to the other party.

5. HACSB and Step Up are authorized self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability, Worker's Compensation and Property Damage and warrant that through their respective programs of self-insurance, they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this MOU.

XIII. CONCLUSION

1. This MOU, consisting of ten (10) pages and Attachment I, is the full and complete document describing services to be rendered by Step Up and HACSB including all covenants, conditions, and benefits.

2. The signatures of the Parties affixed to this MOU affirm that they are duly authorized to commit and bind their respective departments to the terms and conditions set forth in this document.

This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same MOU. The parties shall be entitled to sign and transmit an electronic signature of this MOU (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed MOU upon request.

STEP UP

(Print or type name of corporation, company, contractor, etc.)

DocuSigned by:

► _____

(Authorized signature)

Name: Eddie Estrada

(Print or type name of person signing contract)

Title: Vice President

(Print or Type)

Dated: 1/23/2026

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

(Print or type name of corporation, company, contractor, etc.)

DocuSigned by:

► Maria Razo

(Authorized signature)

Name: Maria Razo

(Print or type name of person signing contract)

Title Executive Director

(Print or Type)

Dated: 1/23/2026

Address: 715 E. Brier Drive.,

San Bernardino, CA 92408

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Attachment I - Business Associate Agreement

This Business Associate Agreement (Agreement) supplements and is made a part of the contract (Contract) by and between Step Up (hereinafter Covered Entity) and Housing Authority of the County of San Bernardino (hereinafter Business Associate). This Agreement is effective as of the effective date of the Contract.

RECITALS

WHEREAS, Covered Entity (CE) wishes to disclose certain information to Business Associate (BA) pursuant to the terms of the Contract, which may include Protected Health Information (PHI); and

WHEREAS, CE and BA intend to protect the privacy and provide for the security of the PHI disclosed to BA pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (HITECH Act), and other applicable laws; and

WHEREAS, The Privacy Rule and the Security Rule require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, sections 164.314, subdivision (a), 164.502, subdivision (e), and 164.504, subdivision (e) of the Code of Federal Regulations (C.F.R.) and contained in this Agreement; and

WHEREAS, Pursuant to HIPAA and the HITECH Act, BA shall fulfill the responsibilities of this Agreement by being in compliance with the applicable provisions of the HIPAA Standards for Privacy of PHI set forth at 45 C.F.R. sections 164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards), 164.316 (Policies and Procedures and Documentation Requirements), and, 164.400, et seq. and 42 United States Code (U.S.C.) section 17932 (Breach Notification Rule), in the same manner as they apply to a CE under HIPAA;

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this Agreement, the parties agree as follows:

A. Definitions

Unless otherwise specified herein, capitalized terms used in this Agreement shall have the same meanings as given in the Privacy Rule, the Security Rule, the Breach Notification Rule, and HITECH Act, as and when amended from time to time.

1. Breach shall have the same meaning given to such term under the HIPAA Regulations [45 C.F.R. §164.402] and the HITECH Act [42 U.S.C. §§17921 et seq.], and as further described in California Civil Code section 1798.82.
2. Business Associate (BA) shall have the same meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including but

not limited to 42 U.S.C. section 17921 and 45 C.F.R. section 160.103.

3. Covered Entity (CE) shall have the same meaning given to such term as under the Privacy Rule and Security Rule, including, but not limited to 45 C.F.R. section 160.103.

4. Designated Record Set shall have the same meaning given to such term under 45 C.F.R. section 164.501.

5. Electronic Protected Health Information (ePHI) means PHI that is maintained in or transmitted by electronic media as defined in the Security Rule, 45 C.F.R. section 164.103.

6. Individual shall have the same meaning given to such term under 45 C.F.R. section 160.103.

7. Privacy Rule means the regulations promulgated under HIPAA by the United States Department of Health and Human Services (HHS) to protect the privacy of Protected Health Information, including, but not limited to, 45 C.F.R. Parts 160 and 164, subparts A and E.

8. Protected Health Information (PHI) shall have the same meaning given to such term under 45 C.F.R. section 160.103, limited to the information received from, or created or received by Business Associate from or on behalf of, CE.

9. Security Rule means the regulations promulgated under HIPAA by HHS to protect the security of ePHI, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164, subparts A and C.

10. Unsecured PHI shall have the same meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act, including, but not limited to 42 U.S.C. section 17932, subdivision (h).

B. Obligations and Activities of BA

1. Permitted Uses and Disclosures

BA may disclose PHI: (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) for purposes of Treatment, Payment and Operations (TPO); (iv) as required by law; or (v) for Data Aggregation purposes for the Health Care Operations of CE. Prior to making any other disclosures, BA must obtain a written authorization from the Individual.

If BA discloses PHI to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this Agreement and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach. [42 U.S.C. section 17932; 45 C.F.R. sections 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)]

2. Prohibited Uses and Disclosures

i. BA shall not use, access or further disclose PHI other than as permitted or required by this Agreement and as specified in the attached Contract or as required by law. Further, BA shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act. BA shall disclose to its employees, agents, or other third parties, and request from CE, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder.

ii. BA shall not use or disclose PHI for fundraising or marketing purposes.

iii. BA shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction and has paid out of pocket in full for the health care item or service to which the PHI solely relates. (42 U.S.C. section 17935(a) and 45 C.F.R. section 164.522(a)(1)(i)(A).)

iv. BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted by the HITECH Act (42 U.S.C. section 17935(d)(2); and 45 C.F.R. section 164.508); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to this Agreement.

3. Appropriate Safeguards

a) BA shall implement appropriate safeguards to prevent the unauthorized use or disclosure of PHI, including, but not limited to, administrative, physical and technical safeguards that reasonably protect the confidentiality, integrity and availability of the PHI BA creates, receives, maintains, or transmits on behalf of the CE, in accordance with 45 C.F.R. sections 164.308, 164.310, 164.312 and 164.316. [45 C.F.R. sections 164.504(e)(2)(ii)(b) and 164.308(b).]

b) In accordance with 45 C.F.R. section 164.316, BA shall maintain reasonable and appropriate written policies and procedures for its privacy and security program in order to comply with the standards, implementation specifications, or any other requirements of the Privacy Rule and applicable provisions of the Security Rule.

c) BA shall provide appropriate training for its workforce on the requirements of the Privacy Rule and Security Rule as those regulations affect the proper handling, use confidentiality and disclosure of the CE's PHI.

d) Such training will include specific guidance relating to sanctions against workforce members who fail to comply with privacy and security policies and procedures and the obligations of the BA under this Agreement.

4. Reporting of Improper Access, Use or Disclosure or Breach

Every suspected and actual Breach shall be reported immediately, but no later than one (1) business day upon discovery, to CE's Office of Compliance, consistent with the regulations under HITECH Act. Upon discovery of a Breach or suspected Breach, BA shall complete the following actions:

i. Provide CE's Office of Compliance with the following information to include but not limited to:

a) Date the Breach or suspected Breach occurred.

b) Date the Breach or suspected Breach was discovered.

c) Number of staff, employees, agents or other third parties and the names and titles of each person allegedly involved.

d) Number of potentially affected individual(s) with contact information; and

e) Description of how the Breach or suspected Breach allegedly occurred.

ii. Conduct and document a risk assessment by investigating without unreasonable delay and in no case later than five (5) calendar days of discovery of the Breach or suspected Breach to determine the following:

a) The nature and extent of the PHI involved, including the types of identifiers and likelihood of re-identification;

b) The unauthorized person who had access to the PHI;

c) Whether the PHI was actually acquired or viewed; and

d) The extent to which the risk to PHI has been mitigated.

iii. Provide a completed risk assessment and investigation documentation to CE's Office of Compliance within ten (10) calendar days of discovery of the Breach or suspected Breach with a determination as to whether a Breach has occurred. At the discretion of CE, additional information may be requested.

a) If BA and CE agree that a Breach has not occurred, notification to individual(s) is not required.

b) If a Breach has occurred, notification to the individual(s) is required and BA must provide CE with affected individual(s) name and contact information so that CE can provide notification.

iv. Make available to CE and governing State and Federal agencies in a time and manner designated by CE or governing State and Federal agencies, any policies, procedures, internal practices and records relating to a Breach or suspected Breach for the purposes of audit or should the CE reserve the right to conduct its own investigation and analysis.

5. Access to PHI

To the extent BA maintains a Designated Record Set on behalf of CE, BA shall make PHI maintained by BA or its agents in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule. If BA maintains ePHI, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act. If BA receives a request from an Individual for access to PHI, BA shall immediately forward such request to CE.

6. Amendment of PHI

If BA maintains a Designated Record Set on behalf of the CE, BA shall make any amendment(s) to PHI in a Designated Record Set that the CE directs or agrees to, pursuant to 45 C.F.R. section 164.526, or take other measures as necessary to satisfy CE's obligations under 45 C.F.R. section 164.526, in the time and manner designated by the CE.

7. Access to Records

BA shall make internal practices, books, and records, including policies and procedures, relating to the use, access and disclosure of PHI received from, or created or received by BA on behalf of, CE available to the Secretary of HHS, in a time and manner designated by the Secretary, for purposes of the Secretary determining CE's compliance with the Privacy Rule and Security Rule and patient confidentiality regulations. Any documentation provided to the Secretary shall also be provided to the CE upon request.

8. Accounting for Disclosures

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BA and its agents, shall document disclosures of PHI and information related to such disclosures as required by HIPAA. This requirement does not apply to disclosures made for the purposes of TPO. BA shall provide an accounting of disclosures to CE or an Individual, in the time and manner designated by the CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents for at least six (6) years prior to the request. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

9. Termination

CE may immediately terminate this agreement, and any related agreements, if CE determines that BA has breached a material term of this agreement. CE may, at its sole discretion, provide BA an opportunity to cure the breach or end the violation within the time specified by the CE.

10. Return of PHI

Upon termination of this Agreement, BA shall return all PHI required to be retained by the BA employees or agents on behalf of the CE. In the event the BA determines that returning the PHI is not feasible, the BA shall provide the CE with written notification of the conditions that make return not feasible. Additionally, the BA must follow established policies and procedures to ensure PHI is safeguarded and disposed of adequately in accordance with 45 C.F.R. section 164.310, and must submit to the CE a certification of destruction of PHI. For destruction of ePHI, the National Institute of Standards and Technology (NIST) guidelines must be followed. BA further agrees to extend any and all protections, limitations, and restrictions contained in this Agreement, to any PHI retained by BA employees or agents after the termination of this Agreement, and to limit any further use, access or disclosures.

11. Breach by the CE

Pursuant to 42 U.S.C. section 17934, subdivision (b), if the BA is aware of any activity or practice by the CE that constitutes a material Breach or violation of the CE's obligations under this Agreement, the BA must take reasonable steps to address the Breach and/or end eliminate the continued violation, if the BA has the capability of mitigating said violation. If the BA is unsuccessful in eliminating the violation and the CE continues with non-compliant activity, the BA must terminate the Agreement (if feasible) and report the violation to the Secretary of HHS.

12. Mitigation

BA shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to BA of a use, access or disclosure of PHI by BA, its agents in violation of the requirements of this Agreement.

13. Costs Associated to Breach

BA shall be responsible for reasonable costs associated with a breach. Costs shall be based upon the required notification type as deemed appropriate and necessary by the CE and shall not be reimbursable under the Agreement at any time. CE shall determine the method to invoice the BA for said costs. Costs shall

incur at the current rates and may include, but are not limited to the following:

- Postage.
- Alternative means of notice.
- Media notification; and
- Credit monitoring services.

14. Direct Liability

BA may be held directly liable under HIPAA for impermissible uses and disclosures of PHI; failure to provide breach notification to CE; failure to provide access to a copy of ePHI to CE or individual; failure to disclose PHI to the Secretary of HHS when investigating BA's compliance with HIPAA; failure to provide an accounting of disclosures.

15. Indemnification

BA agrees to indemnify, defend and hold harmless CE and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, penalties, injuries, costs and expenses (including costs for reasonable attorney fees) that are caused by or result from the acts or omissions of BA, its officers, employees and agents, with respect to the use, access, maintenance or disclosure of CE's PHI, including without limitation, any Breach of PHI or any expenses incurred by CE in providing required Breach notifications.

16. Judicial or Administrative Proceedings

CE may terminate the Contract, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws or (ii) a finding or stipulation is made in any administrative or civil proceeding in which the BA has been joined that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws.

17. Insurance

In addition to any general and/or professional liability insurance coverage required of BA under the Contract for services, BA shall provide appropriate liability insurance coverage during the term of this Agreement to cover any and all claims, causes of action, and demands whatsoever made for loss, damage, or injury to any person arising from the breach of the security, privacy, or confidentiality obligations of BA, its agents or employees, under this Agreement and under HIPAA 45 C.F.R. Parts 160 and 164, Subparts A and E.

18. Assistance in Litigation or Administrative Proceedings

BA shall make itself, and any employees, or agents assisting BA in the performance of its obligations under the Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers, or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where BA employee or agent is a named adverse party.

C. Obligations of CE

1. CE shall notify BA of any of the following, to the extent that such may affect BA's use, access, maintenance or disclosure of PHI:

   i. Any limitation(s) in CE's notice of privacy practices in accordance with 45 C.F.R. section 164.520.

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ii. Any changes in, or revocation of, permission by an individual to use, access or disclose PHI.

iii. Any restriction to the use, access or disclosure of PHI that CE has agreed to in accordance with 45 C.F.R. section 164.522.

D. General Provisions

1. Remedies

BA agrees that CE shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which CE may have at law or in equity in the event of unauthorized use, access or disclosure of PHI by BA or any agent of BA that received PHI from BA.

2. Ownership

The PHI shall be and remain the property of the CE. BA agrees that it acquires no title or rights to the PHI.

3. Regulatory References

A reference in this Agreement to a section in the Privacy Rule and Security Rule and patient confidentiality regulations means the section as in effect or as amended.

4. No Third-Party Beneficiaries

Nothing express or implied in the Contract or this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

5. Amendment

The parties acknowledge that state and federal laws related to privacy and security of PHI are rapidly evolving and that amendment of the Contract or this Agreement may be required to ensure compliance with such developments. The parties shall negotiate in good faith to amend this Agreement when and as necessary to comply with applicable laws. If either party does not agree to so amend this Agreement within 30 days after receiving a request for amendment from the other, either party may terminate the Agreement upon written notice. To the extent an amendment to this Agreement is required by law and this Agreement has not been so amended to comply with the applicable law in a timely manner, the amendment required by law shall be deemed to be incorporated into this Agreement automatically and without further action required by either of the parties. Subject to the foregoing, this Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed and agreed to by BA and CE.

6. Interpretation

Any ambiguity in this Agreement shall be resolved to permit CE to comply with the Privacy and Security Rules, the HITECH Act, and all applicable patient confidentiality regulations.

7. Compliance with State Law

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In addition to HIPAA and all applicable HIPAA Regulations, BA acknowledges that BA and CE may have confidentiality and privacy obligations under State law, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq. ("CMIA")). If any provisions of this Agreement or HIPAA Regulations or the HITECH Act conflict with CMIA or any other California State law regarding the degree of protection provided for PHI and patient medical records, then BA shall comply with the more restrictive requirements.

8. Survival

The respective rights and obligations and rights of CE and BA relating to protecting the confidentiality or a patient's PHI shall survive the termination of the Contract or this Agreement.

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Exhibit A - Provider Rates

Cost per Unit (1 minute = Unit) Per Hour (60 min)	**Profession**	**Per minute**	**Per Hour**
Case Management Services	Service Coordinator I	$1.87	$112.20
Mental Health/Therapy Services	Service Coordinator II	$2.41	$144.60
Medication Support/ Nursing Services	Lead Nurse or Nurse Service Coordinator	$4.45	$ 267.00
Crisis related Services	Service Coordinator II Licensed Management	$3.58	$214.80

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MEMORANDUM OF UNDERSTANDING

between

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

and

STEP UP

for

IN-KIND SERVICE MATCH RELATED TO LANTERN WOODS

December 1, 2025 - November 30, 2026

WHEREAS, Housing Authority of the County of San Bernardino, Continuum of Care grantee, hereinafter referred to as HACSB, provides rental assistance to chronically homeless families who are in need of case management and supportive services through Continuum of Care (CoC) grant CA1018L9D092409 and

WHEREAS, Step Up, provides case management and supportive services to eligible chronically homeless clients and their families in need of permanent housing in San Bernardino County who meet medical necessity, agree to participate in services, and have been referred to Step Up by DBH; and

WHEREAS, HACSB agrees to work with Step Up in assisting eligible families to access housing, and in return Step Up agrees to provide in-kind case management services to FSP enrolled participants in Lantern Woods (CoC); and

WHEREAS, HACSB and Step Up desire an agreement for the purpose of defining their respective roles in both providing housing assistance and supportive services to participants in the Lantern Woods (CoC) in order to achieve and maintain an enriched quality of life; and

NOW THEREFORE, Step Up and HACSB mutually agree to the following terms and conditions:

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ATTACHMENT I - BUSINESS ASSOCIATE AGREEMENT

ATTACHMENT II- EXHIBIT A- "PROVIDER RATES"

I. PURPOSE

This Memorandum of Understanding (MOU) outlines the collaborative efforts between HACSB and Step Up regarding the Lantern Woods Continuum of Care (CoC) grant CA1018L9D092409. This grant is to provide housing and supportive services to the most vulnerable chronically homeless individuals and families. The value of the supportive services will be used to satisfy the match requirement of the U.S. Department of Housing and Urban Development's CoC Program.

The primary goal of this grant is to assist the chronically homeless individual/family to successfully transition into and maintain permanent housing.

Rental Assistance for 16 families is available. The Coordinated Entry System (CES) will identify and refer chronically homeless individuals and families as defined in Section 11. HACSB will administer the rental assistance while Step Up will provide case management and supportive services to participants who meet medical necessity, agree to participate in FSP volunteer services, and have been referred to Step Up through DBH.

The rental assistance is funded by the Department of Housing and Urban Development (HUD) and HACSB is the grantee. As such it is HACSB's responsibility to determine if the household meets Program eligibility.

II. DEFINITIONS

1. *Authorization for Release of Protected Health Information* - A Health Insurance Portability and Accountability Act compliant authorization signed by the client or client's legal representative, authorizing Step Up to release the client's information to a designated recipient. This form must be completed thoroughly with specified records to be shared, a designated time frame and expiration date, as well as a signature by the Step Up client or his/her legal representative. If the form is signed by a legal representative, proof from the court system designating legal representation must accompany the request.

2. *Chronically Homeless* - Refers to a homeless individual who has experienced homelessness for a year or longer, or who has experienced at least four episodes of homelessness in the last three years and has a disability.

3. *Clients / Participants* - Refers to persons enrolled into the Program. The Housing Authority considers those enrolled in the Program as "participants" or "tenants" while Step Up staff refers to them as "clients."

4. *Coordinated Entry System (CES)* - A County-wide, centralized and streamlined process of identifying those who are homeless and triaging the housing search and match for those who are chronically homeless.

5. *Step Up* - Step Up is responsible for providing specialty mental health services and/or substance use disorder services to County residents who are experiencing mental illness and/or substance use disorders. Step Up provides treatment services and education for communities and residents of San Bernardino County through contracts with community-based organizations and clinics with the goal of promoting prevention, intervention, recovery, and resiliency for individuals and families.

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6. *Family* - Used interchangeably with "applicant" or "participant" and indicates household constellations that consist of adults and/or adults with children.

7. *Health Insurance Portability and Accountability Act (HIPAA)* -A federal law designed to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and for other purposes.

8. *Moving On Program* – A program that assists tenants who are ready and wish to leave Permanent Supportive Housing (PSH) by connecting them with affordable housing, financial assistance, and transition supports (services to help tenants prepare for, navigate, and adjust to their transition out of PSH).

9. *Personally Identifiable Information (PII)* - PII is information that can be used alone or in conjunction with other personal or identifying information, which is linked or linkable to a specific individual. This includes: name, social security number, date of birth, address, driver's license, photo identification, other identifying number (case number, client index number, and transactional database system number /medical record number, etc.).

10. *Protected Health Information (PHI)* - PHI is individually identifiable health information held or transmitted by a covered entity or its business associate, in any form or media, whether electronic, paper or oral. Individually identifiable information is information, including demographic data, that relates to the individual's past, present or future physical or mental health or condition; the provision of health care to the individual; or the past, present, or future payment for the provision of health care to the individual, and identifies the individual or for which there is reasonable basis to believe it can be used to identify the individual. PHI excludes individually identifiable health information in education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; in records described at 20 U.S.C. 1232g(a)(4)(B)(iv); in employment records held by a covered entity in its role as employer; and regarding a person who has been deceased for more than fifty (50) years.

11. *Program or Continuum of Care Program* - Refers broadly to the provision of U.S. Department of Housing and Urban Development's CoC Program to provide housing and supportive services to the most vulnerable chronically homeless individuals and families.

12. *Supportive Housing* - Refers to permanent housing programs in which participants receive subsidized affordable housing, referral to mainstream services, as well as clinical and social support to assist a client to maintain their residency, psychiatric stability, and to attain a level of independence.

13. *Tenant* - Used to refer to participants in terms of their relation to landlords.

14. *Landlord*- Refers to an individual, firm, corporation, partnership, or similar entity that holds title to the housing that receives funding through rental subsidies on behalf of this Program.

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III. HACSB RESPONSIBILITIES

HACSB shall:

1. Accept referrals from CES and screen applicants to ensure individuals meet HUD determined guidelines governing the Program, including chronically homeless criteria.

2. HACSB follows Housing First principles with its CoC programs.

3. Notify the applicant of acceptance into the Program and informing the applicant about attending an orientation meeting to provide instructions to applicants on policies and to outline applicant's rental responsibilities.

4. Conduct initial and periodic unit inspections to assure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards or applicable HUD standard.

5. Determine if the contract rent for each approved unit meets rent reasonableness.

6. Approve payment of the difference between the rent approved by HACSB and Tenant rent amount.

7. Ensure that Landlords understand their rights and responsibilities under the program and respond to complaints and appeals regarding housing services.

8. Administer the rental assistance in accordance with applicable Program regulations and requirements.

9. Provide training to Step Up staff on HACSB's procedures and Program requirements.

10. Maintain a consent to release of information relevant to the Program and its requirements signed by each applicant in the Program to ensure open communication between Step Up and HACSB to support housing retention efforts.

11. Have staff complete all required Homeless Management Information System (HMIS) trainings and ensure that data entry into HMIS meets quality standards.

12. Submit the Annual Performance Report in Sage.

13. Document at least 25% in-kind match for the amount of funding received.

14. Conduct regular monthly meetings with Step Up.

15. Comply with all provisions of this MOU and ATTACHMENT I - Business Associate Agreement.

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IV. STEP UP RESPONSIBILITIES

Step Up shall:

1. Agrees to provide the following services:
    a. Assessment of Service Needs
    b. Case Management
    c. Employment Assistance
    d. Housing/Counseling Services
    e. Life Skills
    f. Mental Health Services
    g. Outreach Services
    h. Substance Abuse Treatment Services
    i. Transportation
2. Commit to an in-kind service value match of $69,958.
3. If there is drug-related criminal activity pertaining to possession or being under the influence, Step Up in collaboration with DBH will work with client-family member with enrollment, attendance, and participation in treatment related activities.
4. Work with client-family to address any outstanding criminal issues that might create future barriers to successfully sustain their housing over time and enhance opportunities for personal and economic growth where appropriate.
5. Provide adequate staff resources to provide case management to eligible families and enrolled individuals.
6. Provide transitional support to clients identified as candidates for the Moving On Program, which includes educating clients on changes to the housing program, providing community resources, and assisting with resources and housing stabilization for clients who are relocated.
7. Provide aftercare services for clients who are transitioning to the Moving On Program for at least 24 months following the client's transition from the CoC program. Services may include but are not limited to a variety of supports around health care engagement, medication assistance, connection to social services, independent living skills coaching, housing stabilization, and assistance with housing program compliance.
8. Attend regular meetings with HACSB.
9. Comply with all requirements of the Lantern Woods Continuum of Care (CoC) grant CA1018L9D092409.

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10. Comply with the provisions of this MOU.

V. STEP UP GENERAL RESPONSIBILITIES

Pursuant to HIPM, Step Up has implemented administrative, physical, and technical safeguards to protect the confidentiality, integrity, and availability of PHI transmitted or maintained in any form or medium.

VI. MUTUAL RESPONSIBILITIES

1. Step Up and HACSB enter into this MOU to provide supportive services and rental assistance for qualified chronically homeless individuals and families.

2. Comply with the relevant grant eligibility requirements of the Continuum of Care Program.

3. Agree to ensure the coordination and collaboration between staff in each agency to the benefit of county residents experiencing homelessness and entering the county's system of care.

4. Ensure the appropriate data sharing and releases of information are in place.

5. Monitor and ensure compliance with service delivery, rental subsides, fiscal tracking, and program expenditures.

6. On a monthly basis, meet to ensure routine collaboration between agencies for the benefit of participants.

7. Adherence to all State and Federal privacy laws in the processing and inter-agency collaboration.

8. On a routine basis will exchange data regarding rental subsidies, client data, client outcome measures and any data required by State Department of Mental Health or discretionary reports requested by each agency.

9. Collaboration between HACSB and Step Up staff will be maintained to ensure that all services are consistent with Federal and State Fair Housing guidelines, regulations from the State Department of Mental Health and/or each agencies' standard policies and procedures.

10. Applications must be evaluated and meet the criteria established by each agency prior to admittance into the Program. Each agency will be responsible for completing an independent screening of applicants, based on the agency's guidelines and qualifications. Step Up will evaluate applications to ensure compliance with mental health disability-related requirements while HACSB will evaluate applications to ensure clearance of eligibility standards of the related rental assistance grant.

11. Agree to collaborate on future Notice of Funding Availability (NOFA) for the Program and provide information requested in the NOFA to HACSB in a timely manner.

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12. Privacy and Security

a. Both parties shall adhere to any applicable privacy-related policies pertaining to PII. Step Up has a specific responsibility to comply with all applicable State and Federal regulations pertaining to privacy and security of client PII and strictly maintain the confidentiality of behavioral health records, and HACSB shall assist Step Up in upholding said confidentiality by applying safeguards as discussed herein. Regulations have been promulgated governing the privacy and security of individually identifiable health information (IIHI) PHI or electronic Protected Health Information (ePHI).

b. In addition to the aforementioned protection of IIHI, PHI and e-PHI, both parties shall adhere to the protection of PII and Medi-Cal PII. PII includes any information that can be used to search for or identify individuals such as but not limited to name, social security number or date of birth. Medi-Cal PII is the information that is directly obtained in the course of performing an administrative function on behalf of Medi-Cal, such as determining eligibility that can be used alone in conjunction with any other information to identify an individual.

c. Reporting Improper Access, Use, or Disclosure of Unsecure PHI and PII. Upon discovery of any unauthorized use, access or disclosure of PHI or any other security incident with regards to PHI or PII, HACSB agrees to report to Step Up no later than one (1) business day upon the discovery of a potential breach. HACSB shall cooperate and provide information to HACSB to assist with appropriate reporting requirements.

13. Both parties shall ensure any Step Up client PHI that is stored on its premises will be locked and secure in adherence to IIHI and PHI privacy requirements.

VII. FISCAL PROVISIONS

This is a coordination of services agreement, there is no payment of costs or fiscal obligations between the agencies. HACSB and Step Up are individually responsible for any costs incurred by their respective organizations due to commitments described in this MOU. Staffing will be maintained by each agency per the department budgets and the Exhibit A-Provider Rates attachment. Staffing is required to operate the services required under this MOU.

As part of the Lantern Woods CoC grant CA1018L9D092409, HACSB is required to document at least 25% in-kind match for the amount of funding received. The value of the services provided by Step Up will contribute to meeting the required annual match. As required by HUD regulations, rates for services must be consistent with those ordinarily paid by other employers for similar work. This value is based on the negotiated rates established by Cal Aim for each Medi-Cal mode and service function that Step Up is certified to provide based on the most recently filed cost report and trended forward using a cost of living index. This best represents how services are delivered and can be quantified to an applicable cost that includes both the salaries and benefits for staff as well as the applicable operating services those staff would incur, which collectively represents the cost of service to support the in-kind match requirement.

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VIII. RIGHT TO MONITOR AND AUDIT

HACSB and Step Up shall cooperate in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements as established by HUD to administer the Program.

HACSB and Step Up further agree to cooperate with HUD, maintain, and provide requested data to HUD and follow all evaluation protocols established by HUD.

IX. TERM

The MOU is effective as of December 1, 2025 and expires November 30, 2026.

X. DESIGNATED PROGRAM LIAISONS

The following individuals will serve as the lead liaison for the program.

HACSB's liaison is as follows:
Name and Title: Mayra Small, Housing Services Manager
Address: 672 S. Waterman Avenue
San Bernardino, CA 92408
E-mail Address: msmall@hacsb.com
Telephone Number: 909-890-5306
Fax Number: 909-890-5306

Step Up Liaison is as follows:
Name and Title: Eddie Estrada, Vice President
Address: 290 North D Street, Suite 700
San Bernardino, CA 92401
E-mail Address: eestrada@stepup.org
Telephone Number: (909) 677-7275
Fax Number: (909) 313-2320

XI. INDEMNIFICATION

1. HACSB agrees to indemnify, defend and hold harmless Step Up, its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of HACSB, including the acts, errors or omissions of HACSB and for any costs or expenses incurred by Step Up on account of any claim resulting from the acts or negligence of HACSB or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

2. Step Up agrees to indemnify, defend and hold harmless HACSB and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of Step Up, including the acts, errors or omissions of Step Up and for any costs or expenses incurred by HACSB on account of any claim resulting from the acts or negligence of Step Up or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

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3. If the Parties are determined to be comparatively at fault for any claim, action, loss, or damage which results from their respective obligations under this Agreement, each Party shall indemnify the others to the extent of its comparative fault as determined in a legal action.

XII. GENERAL PROVISIONS

1. No waiver of any of the provisions of the MOU documents shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under any MOU document shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.

2. Any alterations, variations, modifications, or waivers of provisions of the MOU, unless specifically allowed in the MOU, shall be valid only when they have been reduced to writing, duly signed, and approved by the Authorized Representatives of both parties as an amendment to this MOU. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

3. This MOU shall be governed by and construed according to the laws of the State of California. The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, San Bernardino County, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this MOU is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, San Bernardino District.

4. Either party reserves the right to terminate the Contract, for cause or lack of funding, with a thirty (30) day written notice of termination to the other party.

5. HACSB and Step Up are authorized self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability, Worker's Compensation and Property Damage and warrant that through their respective programs of self-insurance, they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this MOU.

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XIII. CONCLUSION

1. This MOU, consisting of eleven (11) pages is the full and complete document describing services to be rendered by Step Up and HACSB including all covenants, conditions, and benefits.

2. The signatures of the Parties affixed to this MOU affirm that they are duly authorized to commit and bind their respective departments to the terms and conditions set forth in this document.

This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same MOU. The parties shall be entitled to sign and transmit an electronic signature of this MOU (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed MOU upon request.

STEP UP

(Print or type name of corporation, company, contractor, etc.)

► DocuSigned by: _____

(Authorized signature)

Name: Eddie Estrada

(Print or type name of person signing contract)

Title: Vice President

(Print or Type)

Dated: 1/23/2026

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

(Print or type name of corporation, company, contractor, etc.)

► DocuSigned by: Maria Razo

(Authorized signature)

Name: Maria Razo

(Print or type name of person signing contract)

Title Executive Director

(Print or Type)

Dated: 1/23/2026

Address: 715 E. Brier Drive.,

San Bernardino, CA 92408

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Attachment I – Business Associate Agreement

This Business Associate Agreement (Agreement) supplements and is made a part of the contract (Contract) by and between the Step Up (hereinafter Covered Entity) and Housing Authority of the County of San Bernardino (hereinafter Business Associate). This Agreement is effective as of the effective date of the Contract.

RECITALS

WHEREAS, Covered Entity (CE) wishes to disclose certain information to Business Associate (BA) pursuant to the terms of the Contract, which may include Protected Health Information (PHI); and

WHEREAS, CE and BA intend to protect the privacy and provide for the security of the PHI disclosed to BA pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (HITECH Act), their implementing regulations, and other applicable laws; and

WHEREAS, The Privacy Rule and the Security Rule require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, sections 164.314, subdivision (a), 164.502, subdivision (e), and 164.504, subdivision (e) of the Code of Federal Regulations (C.F.R.) and contained in this Agreement; and

WHEREAS, Pursuant to HIPAA and the HITECH Act, BA shall fulfill the responsibilities of this Agreement by being in compliance with the applicable provisions of the HIPAA Standards for Privacy of PHI set forth at 45 C.F.R. sections 164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards), 164.316 (Policies and Procedures and Documentation Requirements), and, 164.400, et seq. and 42 United States Code (U.S.C.) section 17932 (Breach Notification Rule), in the same manner as they apply to a CE under HIPAA;

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this Agreement, the parties agree as follows:

A. Definitions

Unless otherwise specified herein, capitalized terms used in this Agreement shall have the same meanings as given in the Privacy Rule, the Security Rule, the Breach Notification Rule, and HITECH Act, as and when amended from time to time.

1. Breach shall have the same meaning given to such term under the HIPAA Regulations [45 C.F.R. §164.402] and the HITECH Act [42 U.S.C. §§17921 et seq.], and as further described in California Civil Code section 1798.82.
2. Business Associate (BA) shall have the same meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including but not limited to 42 U.S.C. section 17921 and 45 C.F.R. section 160.103.
3. Covered Entity (CE) shall have the same meaning given to such term as under the Privacy Rule and Security Rule, including, but not limited to 45 C.F.R. section 160.103.
4. Designated Record Set shall have the same meaning given to such term under 45 C.F.R. section 164.501.

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5. Electronic Protected Health Information (ePHI) means PHI that is maintained in or transmitted by electronic media as defined in the Security Rule, 45 C.F.R. section 164.103.

6. Individual shall have the same meaning given to such term under 45 C.F.R. section 160.103.

7. Privacy Rule means the regulations promulgated under HIPAA by the United States Department of Health and Human Services (HHS) to protect the privacy of Protected Health Information, including, but not limited to, 45 C.F.R. Parts 160 and 164, subparts A and E.

8. Protected Health Information (PHI) shall have the same meaning given to such term under 45 C.F.R. section 160.103, limited to the information received from, or created or received by Business Associate from or on behalf of, CE.

9. Security Rule means the regulations promulgated under HIPAA by HHS to protect the security of ePHI, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164, subparts A and C.

10. Unsecured PHI shall have the same meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act, including, but not limited to 42 U.S.C. section 17932, subdivision (h).

B. Obligations and Activities of BA

1. Permitted Uses and Disclosures

BA may disclose PHI: (i) for the proper management and administration of BA;

(ii) to carry out the legal responsibilities of BA; (iii) for purposes of Treatment, Payment and Operations (TPO); (iv) as required by law; or (v) for Data Aggregation purposes for the Health Care Operations of CE. Prior to making any other disclosures, BA must obtain a written authorization from the Individual.

If BA discloses PHI to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this Agreement and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach. [42 U.S.C. section 17932; 45 C.F.R. sections 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)]

2. Prohibited Uses and Disclosures

i. BA shall not use, access or further disclose PHI other than as permitted or required by this Agreement and as specified in the attached Contract or as required by law. Further, BA shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act. BA shall disclose to its employees, agents, or other third parties, and request from CE, only the

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minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder.

ii. BA shall not use or disclose PHI for fundraising or marketing purposes.

iii. BA shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates. (42 U.S.C. section 17935(a) and 45 C.F.R. section 164.522(a)(1)(i)(A).)

iv. BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted by the HITECH Act (42 U.S.C. section 17935(d)(2); and 45 C.F.R. section 164.508); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to this Agreement.

3. Appropriate Safeguards

i. BA shall implement appropriate safeguards to prevent the unauthorized use or disclosure of PHI, including, but not limited to administrative, physical, and technical safeguards that reasonably protect the confidentiality, integrity and availability of the PHI BA creates, receives, maintains, or transmits on behalf of the CE, in accordance with 45 C.F.R. sections 164.308, 164.310, 164.312 and 164.316. [45 C.F.R. sections 164.504(e)(2)(ii)(b) and 164.308(b).]

ii. In accordance with 45 C.F.R. section 164.316, BA shall maintain reasonable and appropriate written policies and procedures for its privacy and security program in order to comply with the standards, implementation specifications, or any other requirements of the Privacy Rule and applicable provisions of the Security Rule.

iii. BA shall provide appropriate training for its workforce on the requirements of the Privacy Rule and Security Rule as those regulations affect the proper handling, use confidentiality and disclosure of the CE's PHI.

Such training will include specific guidance relating to sanctions against workforce members who fail to comply with privacy and security policies and procedures and the obligations of the BA under this Agreement.

4. Reporting of Improper Access, Use or Disclosure or Breach

Every suspected and actual Breach shall be reported immediately, but no later than one (1) business day upon discovery, to CE's Office of Compliance, consistent with the regulations under HITECH Act. Upon discovery of a Breach or suspected Breach, BA shall complete the following actions:

i. Provide CE's Office of Compliance with the following information to include but not limited to:

a) Date the Breach or suspected Breach occurred;

b) Date the Breach or suspected Breach was discovered;

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c) Number of staff, employees, agents or other third parties and the names and titles of each person allegedly involved;

d) Number of potentially affected individual(s) with contact information; and

e) Description of how the Breach or suspected Breach allegedly occurred.

ii. Conduct and document a risk assessment by investigating without unreasonable delay and in no case later than five (5) calendar days of discovery of the Breach or suspected Breach to determine the following:

a) The nature and extent of the PHI involved, including the types of identifiers and likelihood of re-identification;

b) The unauthorized person who had access to the PHI;

c) Whether the PHI was actually acquired or viewed; and

d) The extent to which the risk to PHI has been mitigated.

iii. Provide a completed risk assessment and investigation documentation to CE's Office of Compliance within ten (10) calendar days of discovery of the Breach or suspected Breach with a determination as to whether a Breach has occurred. At the discretion of CE, additional information may be requested.

a) If BA and CE agree that a Breach has not occurred, notification to Individual(s) is not required.

b) If a Breach has occurred, notification to the Individual(s) is required and BA must provide CE with affected Individual(s) name and contact information so that CE can provide notification.

iv. Make available to CE and governing State and Federal agencies in a time and manner designated by CE or governing State and Federal agencies, any policies, procedures, internal practices and records relating to a Breach or suspected Breach for the purposes of audit or should the CE reserve the right to conduct its own investigation and analysis.

5. Access to PHI

To the extent BA maintains a Designated Record Set on behalf of CE, BA shall make PHI maintained by BA or its agents in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule. If BA maintains ePHI, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act. If BA receives a request from an Individual for access to PHI, BA shall immediately forward such request to CE.

6. Amendment of PHI

If BA maintains a Designated Record Set on behalf of the CE, BA shall make any amendment(s) to PHI in a Designated Record Set that the CE directs or agrees to,

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pursuant to 45 C.F.R. section 164.526, or take other measures as necessary to satisfy CE's obligations under 45 C.F.R. section 164.526, in the time and manner designated by the CE.

7. Access to Records

BA shall make internal practices, books, and records, including policies and procedures, relating to the use, access and disclosure of PHI received from, or created or received by BA on behalf of, CE available to the Secretary of HHS, in a time and manner designated by the Secretary, for purposes of the Secretary determining CE's compliance with the Privacy Rule and Security Rule and patient confidentiality regulations. Any documentation provided to the Secretary shall also be provided to the CE upon request.

8. Accounting for Disclosures

BA and its agents shall document disclosures of PHI and information related to such disclosures as required by HIPAA. This requirement does not apply to disclosures made for purposes of TPO. BA shall provide an accounting of disclosures to CE or an Individual, in the time and manner designated by the CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents for at least six (6) years prior to the request. At a minimum, the
Information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

9. Termination
CE may immediately terminate this agreement, and any related agreements, if CE determines that BA has breached a material term of this agreement. CE may, at its sole discretion, provide BA an opportunity to cure the breach or end the violation within the time specified by the CE.

10. Return of PHI
Upon termination of this Agreement, BA shall return all PHI required to be retained by the BA, employees or agents on behalf of the CE. In the event the BA determines that returning the PHI is not feasible, the BA shall provide the CE with written notification of the conditions that make return not feasible. Additionally, the BA must follow established policies and procedures to ensure PHI is safeguarded and disposed of adequately in accordance with 45 C.F.R. section 164.310, and must submit to the CE a certification of destruction of PHI. For destruction of ePHI, the National Institute of Standards and Technology (NIST) guidelines must be followed. BA further agrees to extend any and all protections, limitations, and restrictions contained in this Agreement, to any PHI retained by BA employees or agents after the termination of this Agreement, and to limit any further use, access or disclosures.

11. Breach by the CE

Pursuant to 42 U.S.C. section 17934, subdivision (b), if the BA is aware of any

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activity or practice by the CE that constitutes a material Breach or violation of the CE's obligations under this Agreement, the BA must take reasonable steps to address the Breach and/or end eliminate the continued violation, if the BA has the capability of mitigating said violation. If the BA is unsuccessful in eliminating the violation and the CE continues with non-compliant activity, the BA must terminate the Agreement (if feasible) and report the violation to the Secretary of HHS.

12. Mitigation

BA shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to BA of a use, access or disclosure of PHI by BA, its agents in violation of the requirements of this Agreement.

13. Costs Associated to Breach

BA shall be responsible for reasonable costs associated with a Breach. Costs shall be based upon the required notification type as deemed appropriate and necessary by the CE and shall not be reimbursable under the Agreement at any time. CE shall determine the method to invoice the BA for said costs. Costs shall incur at the current rates and may include, but are not limited to the following:

- Postage;
- Alternative means of notice;
- Media notification; and
- Credit monitoring services.

14. Direct Liability

BA may be held directly liable under HIPAA for impermissible uses and disclosures of PHI; failure to provide breach notification to CE; failure to provide access to a copy of ePHI to CE or individual; failure to disclose PHI to the Secretary of HHS when investigating BA's compliance with HIPAA; failure to provide an accounting of disclosures.

15. Indemnification

BA agrees to indemnify, defend and hold harmless CE and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, penalties, injuries, costs and expenses (including costs for reasonable attorney fees) that are caused by or result from the acts or omissions of BA, its officers, employees and agents, with respect to the use, access, maintenance or disclosure of CE's PHI, including without limitation, any Breach of PHI or any expenses incurred by CE in providing required Breach notifications.

16. Judicial or Administrative Proceedings

CE may terminate the Contract, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws or (ii) a finding or stipulation is made in any administrative or civil proceeding in which the BA has been joined that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws.

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17. Insurance

In addition to any general and/or professional liability insurance coverage required of BA under the Contract for services, BA shall provide appropriate liability insurance coverage during the term of this Agreement to cover any and all claims, causes of action, and demands whatsoever made for loss, damage, or injury to any person arising from the breach of the security, privacy, or confidentiality obligations of BA, its agents or employees, under this Agreement and under HIPAA 45 C.F.R. Parts 160 and 164, Subparts A and E.

18. Assistance in Litigation or Administrative Proceedings

BA shall make itself, and any employees, or agents assisting BA in the performance of its obligations under the Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers, or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where BA employee or agent is a named adverse party.

C. Obligations of CE

CE shall notify BA of any of the following, to the extent that such may affect BA's use, access, maintenance or disclosure of PHI:

i. Any limitation(s) in CE's notice of privacy practices in accordance with 45 C.F.R. section 164.520.

ii. Any changes in, or revocation of, permission by an individual to use, access or disclose PHI.

iii. Any restriction to the use, access or disclosure of PHI that CE has agreed to in accordance with 45 C.F.R. section 164.522.

D. General Provisions

1. Remedies

BA agrees that CE shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which CE may have at law or in equity in the event of an unauthorized use, access or disclosure of PHI by BA or any agent of BA that received PHI from BA.

2. Ownership

The PHI shall be and remain the property of the CE. BA agrees that it acquires no title or rights to the PHI.

3. Regulatory References

A reference in this Agreement to a section in the Privacy Rule and Security Rule and patient confidentiality regulations means the section as in effect or as amended.

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4. No Third-Party Beneficiaries

Nothing express or implied in the Contract or this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

5. Amendment

The parties acknowledge that state and federal laws related to privacy and security of PHI are rapidly evolving and that amendment of the Contract or this Agreement may be required to ensure compliance with such developments. The parties shall negotiate in good faith to amend this Agreement when and as necessary to comply with applicable laws. If either party does not agree to so amend this Agreement within 30 days after receiving a request for amendment from the other, either party may terminate the Agreement upon written notice. To the extent an amendment to this Agreement is required by law and this Agreement has not been so amended to comply with the applicable law in a timely manner, the amendment required by law shall be deemed to be incorporated into this Agreement automatically and without further action required by either of the parties. Subject to the foregoing, this Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed and agreed to by BA and CE.

6. Interpretation

Any ambiguity in this Agreement shall be resolved to permit CE to comply with the Privacy and Security Rules, the HITECH Act, and all applicable patient confidentiality regulations.

7. Compliance with State Law

In addition to HIPAA and all applicable HIPAA Regulations, BA acknowledges that BA and CE may have confidentiality and privacy obligations under State law, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq. ("CMIA")). If any provisions of this Agreement or HIPAA Regulations or the HITECH Act conflict with CMIA or any other California State law regarding the degree of protection provided for PHI and patient medical records, then BA shall comply with the more restrictive requirements.

8. Survival

The respective rights and obligations and rights of CE and BA relating to protecting the confidentiality or a patient's PHI shall survive the termination of the Contract or this Agreement.

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Exhibit A - Provider Rates

Cost per Unit (1 minute = Unit) Per Hour (60 min)	**Profession**	**Per minute**	**Per Hour**
Case Management Services	Service Coordinator I	$1.87	$112.20
Mental Health/Therapy Services	Service Coordinator II	$2.41	$144.60
Medication Support/ Nursing Services	Lead Nurse or Nurse Service Coordinator	$4.45	$267.00
Crisis related Services	Service Coordinator II Licensed Management	$3.58	$214.80

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MEMORANDUM OF UNDERSTANDING

between

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

and

STEP UP

for

IN-KIND SERVICE MATCH RELATED TO LAURELBROOK ESTATES

May 1, 2025 - April 30, 2026

WHEREAS, Housing Authority of the County of San Bernardino, Continuum of Care grantee, hereinafter referred to as HACSB, provides rental assistance to chronically homeless families who are in need of case management and supportive services through Continuum of Care (CoC) grant CA0876L9D092410 and

WHEREAS, Step Up provides case management and supportive services to eligible chronically homeless clients and their families in need of permanent housing in San Bernardino County who meet medical necessity, agree to participate in services, and have been referred to Step Up by DBH; and

WHEREAS, HACSB agrees to work with Step Up in assisting eligible families to access housing, and in return Step Up agrees to provide in-kind case management services to FSP enrolled participants in Laurelbrook Estates (Coc); and

WHEREAS, HACSB and Step Up desire an agreement for the purpose of defining their respective roles in both providing housing assistance and supportive services to participants in the Laurelbrook Estates (CoC) in order to achieve and maintain an enriched quality of life; and

NOW THEREFORE, Step Up and HACSB mutually agree to the following terms and conditions:

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ATTACHMENT I-BUSINESS ASSOCIATE AGREEMENT

ATTACHMENT II- EXHIBIT A- "PROVIDER RATES"

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I. PURPOSE

This Memorandum of Understanding ("MOU") outlines the collaborative efforts between HACSB and Step Up regarding the Laurelbrook Estates Continuum of Care (CoC) grant CA0876L9D092410. This grant is to provide housing and supportive services to the most vulnerable chronically homeless individuals and families. The value of the supportive services will be used to satisfy the match requirement of the U.S. Department of Housing and Urban Development's CoC Program.

The primary goal of this grant is to assist the chronically homeless individual/family to successfully transition into and maintain permanent housing.

Rental Assistance for 27 families is available. The Coordinated Entry System (CES) will identify and refer chronically homeless individuals and families as defined in Section II. HACSB will administer the rental assistance while Step Up will provide case management and supportive services to participants who meet medical necessity, agree to participate in FSP volunteer services, and have been referred to Ste Up through DBH.

The rental assistance is funded by the Department of Housing and Urban Development (HUD) and HACSB is the grantee. As such it is HACSB's responsibility to determine if the household meets Program eligibility.

II. DEFINITIONS

1. *Authorization for Release of Protected Health Information* - A Health Insurance Portability and Accountability Act compliant authorization signed by the client or client's legal representative, authorizing Step Up to release the client's information to a designated recipient. This form must be completed thoroughly with specified records to be shared, a designated time frame and expiration date, as well as a signature by the Step Up client or his/her legal representative. If the form is signed by a legal representative, proof from the court system designating legal representation must accompany the request.

2. *Chronically Homeless* - Refers to a homeless individual who has experienced homelessness for a year or longer, or who has experienced at least four episodes of homelessness in the last three years and has a disability.

3. *Clients / Participants* - Refers to persons enrolled into the Program. The Housing Authority considers those enrolled in the Program as "participants" or "tenants" while Step Up staff refers to them as "clients."

4. *Coordinated Entry System (CES)* - A County-wide, centralized and streamlined process of identifying those who are homeless and triaging the housing search and match for those who are chronically homeless.

5. *Step Up* - Step Up is responsible for providing specialty mental health services and/or substance use disorder services to County residents who are experiencing mental illness and/or substance use disorders. Step Up provides treatment services and education for communities and residents of San Bernardino County through contracts with community-based organizations and clinics with the goal of promoting prevention, intervention, recovery, and resiliency for individuals and families.

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6. *Family* - Used interchangeably with "applicant" or "participant" and indicates household constellations that consist of adults and/or adults with children.

7. *Health Insurance Portability and Accountability Act (HIPAA)* -A federal law designed to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and for other purposes.

8. *Moving On Program* – A program that assists tenants who are ready and wish to leave Permanent Supportive Housing (PSH) by connecting them with affordable housing, financial assistance, and transition supports (services to help tenants prepare for, navigate, and adjust to their transition out of PSH).

9. *Personally Identifiable Information (PII)* - PII is information that can be used alone or in conjunction with other personal or identifying information, which is linked or linkable to a specific individual. This includes: name, social security number, date of birth, address, driver's license, photo identification, other identifying number (case number, client index number, and transactional database system number /medical record number, etc.).

10. *Protected Health Information (PHI)* - PHI is individually identifiable health information held or transmitted by a covered entity or its business associate, in any form or media, whether electronic, paper or oral. Individually identifiable information is information, including demographic data, that relates to the individual's past, present or future physical or mental health or condition; the provision of health care to the individual; or the past, present, or future payment for the provision of health care to the individual, and identifies the individual or for which there is reasonable basis to believe it can be used to identify the individual. PHI excludes individually identifiable health information in education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; in records described at 20 U.S.C. 1232g(a)(4)(B)(iv); in employment records held by a covered entity in its role as employer; and regarding a person who has been deceased for more than fifty (50) years.

11. *Program or Continuum of Care Program* - Refers broadly to the provision of U.S. Department of Housing and Urban Development's CoC Program to provide housing and supportive services to the most vulnerable chronically homeless individuals and families.

12. *Supportive Housing* - Refers to permanent housing programs in which participants receive subsidized affordable housing, referral to mainstream services, as well as clinical and social support to assist a client to maintain their residency, psychiatric stability, and to attain a level of independence.

13. *Tenant* - Used to refer to participants in terms of their relation to landlords.

14. *Landlord*- Refers to an individual, firm, corporation, partnership, or similar entity that holds title to the housing that receives funding through rental subsidies on behalf of this Program.

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III. HACSB RESPONSIBILITIES

HACSB shall:

1. Accept referrals from CES and screen applicants to ensure individuals meet HUD determined guidelines governing the Program, including chronically homeless criteria.

2. HACSB follows Housing First principles with its CoC programs.

3. Notify the applicant of acceptance into the Program and informing the applicant about attending an orientation meeting to provide instructions to applicants on policies and to outline applicant's rental responsibilities.

4. Conduct initial and periodic unit inspections to assure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards or applicable HUD standard.

5. Determine if the contract rent for each approved unit meets rent reasonableness.

6. Approve payment of the difference between the rent approved by HACSB and Tenant rent amount.

7. Ensure that Landlords understand their rights and responsibilities under the Program and respond to complaints and appeals regarding housing services.

8. Administer the rental assistance in accordance with applicable Program regulations and requirements.

9. Provide training to Step Up staff on HACSB's procedures and Program requirements.

10. Maintain a consent to release of information relevant to the Program and its requirements signed by each applicant in the Program to ensure open communication between Step Up and HACSB to support housing retention efforts.

11. Have staff complete all required Homeless Management Information System (HMIS) trainings and ensure that data entry into HMIS meets quality standards.

12. Submit the Annual Performance Report in Sage.

13. Document at least 25% in-kind match for the amount of funding received.

14. Conduct regular monthly meetings with Step Up.

15. Comply with all provisions of this MOU and ATTACHMENT I - Business Associate Agreement.

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IV. Step Up RESPONSIBILITIES

Step Up shall:

1. Agrees to provide the following services:
    a. Assessment of Service Needs
    b. Case Management
    c. Employment Assistance
    d. Housing/Counseling Services
    e. Life Skills
    f. Mental Health Services
    g. Outreach Services
    h. Substance Abuse Treatment Services
    i. Transportation
2. Commit to an in-kind service value match of $163,591.
3. If there is drug-related criminal activity pertaining to possession or being under the influence, Step Up in collaboration with DBH will work with client-family member with enrollment, attendance, and participation in treatment related activities.
4. Work with client-family to address any outstanding criminal issues that might create future barriers to successfully sustain their housing over time and enhance opportunities for personal and economic growth where appropriate.
5. Provide adequate staff resources to provide case management to eligible families and enrolled individuals.
6. Provide transitional support to clients identified as candidates for the Moving On Program, which includes educating clients on changes to the housing program, providing community resources, and assisting with resources and housing stabilization for clients who are relocated.
7. Provide aftercare services for clients who are transitioning to the Moving On Program for at least 24 months following the client's transition from the CoC program. Services may include but are not limited to a variety of supports around health care engagement, medication assistance, connection to social services, independent living skills coaching, housing stabilization, and assistance with housing program compliance.
8. Attend regular meetings with HACSB.
9. Comply with all requirements of the Laurelbrook Estates Continuum of Care (CoC) grant CA0876L9D092410.

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10. Comply with the provisions of this MOU.

V. STEP UP GENERAL RESPONSIBILITIES

Pursuant to HIPAA, Step Up has implemented administrative, physical, and technical safeguards to protect the confidentiality, integrity, and availability of PHI transmitted or maintained in any form or medium.

VI. MUTUAL RESPONSIBILITIES

1. Step Up and HACSB enter into this MOU to provide supportive services and rental assistance for qualified chronically homeless individuals and families.

2. Comply with the relevant grant eligibility requirements of the Continuum of Care Program.

3. Agree to ensure the coordination and collaboration between staff in each agency to the benefit of county residents experiencing homelessness and entering the county's system of care.

4. Ensure the appropriate data sharing and releases of information are in place.

5. Monitor and ensure compliance with service delivery, rental subsides, fiscal tracking, and program expenditures.

6. On a monthly basis, meet to ensure routine collaboration between agencies for the benefit of participants.

7. Adherence to all State and Federal privacy laws in the processing and inter-agency collaboration.

8. On a routine basis will exchange data regarding rental subsidies, client data, client outcome measures and any data required by State Department of Mental Health or discretionary reports requested by each agency.

9. Collaboration between HACSB and Step Up staff will be maintained to ensure that all services are consistent with Federal and State Fair Housing guidelines, regulations from the State Department of Mental Health and/or each agencies' standard policies and procedures.

10. Applications must be evaluated and meet the criteria established by each agency prior to admittance into the Program. Each agency will be responsible to complete an independent screening of applicants, based on the agency's guidelines and qualifications. Step Up will evaluate applications to ensure compliance with mental health disability-related requirements while HACSB will evaluate applications to ensure clearance of eligibility standards of the related rental assistance grant.

11. Agree to collaborate on future Notice of Funding Availability (NOFA) for the Program and provide information requested in the NOFA to HACSB in a timely manner.

12. Privacy and Security

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a. Both parties shall adhere to any applicable privacy-related policies pertaining to PII. Step Up has a specific responsibility to comply with all applicable State and Federal regulations pertaining to privacy and security of client PII and strictly maintain the confidentiality of behavioral health records, and HACSB shall assist Step Up in upholding said confidentiality by applying safeguards as discussed herein. Regulations have been promulgated governing the privacy and security of individually identifiable health information (IIHI) PHI or electronic Protected Health Information (ePHI).

b. In addition to the aforementioned protection of IIHI, PHI and e-PHI, both parties shall adhere to the protection of PII and Medi-Cal PII. PII includes any information that can be used to search for or identify individuals such as but not limited to name, social security number or date of birth. Medi-Cal PII is the information that is directly obtained in the course of performing an administrative function on behalf of Medi-Cal, such as determining eligibility that can be used alone in conjunction with any other information to identify an individual.

c. Reporting Improper Access, Use, or Disclosure of Unsecure PHI and PII

Upon discovery of any unauthorized use, access or disclosure of PHI or any other security incident with regards to PHI or PII, HACSB agrees to report to Step Up no later than one (1) business day upon the discovery of a potential breach. HACSB shall cooperate and provide information to HACSB to assist with appropriate reporting requirements.

13. Both parties shall ensure any Step Up client PHI that is stored on its premises will be locked and secure in adherence to IIHI and PHI privacy requirements.

VII. FISCAL PROVISIONS

This is a coordination of services agreement, there is no payment of costs or fiscal obligations between the agencies. HACSB and Step Up are individually responsible for any costs incurred by their respective organizations due to commitments described in this MOU. Staffing will be maintained by each agency per the department budgets and the Exhibit A-Provider Rates attachment. Staffing is required to operate the services required under this MOU.

As part of the Laurelbrook Estates CoC grant CA0876L9D092410, HACSB is required to document at least 25% in-kind match for the amount of funding received. The value of the services provided by Step Up will contribute to meetting the required annual match. As required by HUD regulations, rates for services must be consistent with those ordinarily paid by other employers for similar work. This value is based on the negotiated rates established by Cal Aim for each Medi-Cal mode and service function that Step Up is certified to provide based on the most recently filed cost report and trended forward using a cost of living index. This best represents how services are delivered and can be quantified to an applicable cost that includes both the salaries and benefits for staff as well as the applicable operating services those staff would incur, which collectively represents the cost of service to support the in-kind match requirement.

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VIII. RIGHT TO MONITOR AND AUDIT

HACSB and Step Up shall cooperate in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements as established by HUD to administer the Program.

HACSB and Step Up further agree to cooperate with HUD, maintain, and provide requested data to HUD and follow all evaluation protocols established by HUD.

IX. TERM

The MOU is effective as of May 1, 2025, and expires April 30, 2026.

X. DESIGNATED PROGRAM LIAISONS

The following individuals will serve as the lead liaison for the program.

HACSB's liaison is as follows:
Name and Title: Mayra Small, Housing Services Manager
Address: 672 S. Waterman Avenue
San Bernardino, CA 92408
E-mail Address: msmall@hacsb.com
Telephone Number: 909-890-5306
Fax Number: 909-890-5306

Step Up liaison is as follows:
Name and Title: Eddie Estrada, Vice President
Address: 290 North D Street, Suite 700
San Bernardino, CA 92401
E-mail Address: eestrada@stepup.org
Telephone Number: (909) 677-7275
Fax Number: (909) 313-2320

XI. INDEMNIFICATION

1. HACSB agrees to indemnify, defend and hold harmless Step Up, its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of HACSB, including the acts, errors or omissions of HACSB and for any costs or expenses incurred by Step Up on account of any claim resulting from the acts or negligence of HACSB or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

2. Step Up agrees to indemnify, defend and hold harmless HACSB and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of Step Up, including the acts, errors or omissions of Step Up and for any costs or expenses incurred by HACSB on account of any claim resulting from the acts or negligence of Step Up or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

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3. If the Parties are determined to be comparatively at fault for any claim, action, loss, or damage which results from their respective obligations under this Agreement, each Party shall indemnify the others to the extent of its comparative fault as determined in a legal action.

XII. GENERAL PROVISIONS

1. No waiver of any of the provisions of the MOU documents shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under any MOU document shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.

2. Any alterations, variations, modifications, or waivers of provisions of the MOU, unless specifically allowed in the MOU, shall be valid only when they have been reduced to writing, duly signed, and approved by the Authorized Representatives of both parties as an amendment to this MOU. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

3. This MOU shall be governed by and construed according to the laws of the State of California. The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, San Bernardino County, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this MOU is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, San Bernardino District.

4. Either party reserves the right to terminate the Contract, for cause or lack of funding, with a thirty (30) day written notice of termination to the other party.

5. HACSB and Step Up are authorized self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability, Worker's Compensation and Property Damage and warrant the through their respective programs of self-insurance, they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions, or obligations of this MOU.

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XIII. CONCLUSION

1. This MOU, consisting of eleven (11) pages is the full and complete document describing services to be rendered by Step Up and HACSB including all covenants, conditions, and benefits.
2. The signatures of the Parties affixed to this MOU affirm that they are duly authorized to commit and bind their respective departments to the terms and conditions set forth in this document.

This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same MOU. The parties shall be entitled to sign and transmit an electronic signature of this MOU (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed MOU upon request.

STEP UP

(Print or type name of corporation, company, contractor, etc.)

DocuSigned by:

► _____

(Authorized signature)

Name: Eddie Estrada

(*Print or type name of person signing contract)*

Title: Vice President

(Print or Type)

Dated: 1/27/2026

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

(Print or type name of corporation, company, contractor, etc.)

DocuSigned by:

► Maria Razo

(Authorized signature)

Name: Maria Razo

(*Print or type name of person signing contract)*

Title Executive Director

(Print or Type)

Dated: 1/26/2026

Address: 715 E. Brier Drive.,

San Bernardino, CA 92408

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Attachment I – Business Associate Agreement

This Business Associate Agreement (Agreement) supplements and is made a part of the contract (Contract) by and between Step Up (hereinafter Covered Entity) and Housing Authority of the County of San Bernardino (hereinafter Business Associate). This Agreement is effective as of the effective date of the Contract.

RECITALS

WHEREAS, Covered Entity (CE) wishes to disclose certain information to Business Associate (BA) pursuant to the terms of the Contract, which may include Protected Health Information (PHI); and

WHEREAS, CE and BA intend to protect the privacy and provide for the security of the PHI disclosed to BA pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (HITECH Act), their implementing regulations, and other applicable laws; and

WHEREAS, The Privacy Rule and the Security Rule require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, sections 164.314, subdivision (a), 164.502, subdivision (e), and 164.504, subdivision (e) of the Code of Federal Regulations (C.F.R.) and contained in this Agreement; and

WHEREAS, Pursuant to HIPAA and the HITECH Act, BA shall fulfill the responsibilities of this Agreement by being in compliance with the applicable provisions of the HIPAA Standards for Privacy of PHI set forth at 45 C.F.R. sections 164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards), 164.316 (Policies and Procedures and Documentation Requirements), and, 164.400, et seq. and 42 United States Code (U.S.C.) section 17932 (Breach Notification Rule), in the same manner as they apply to a CE under HIPAA;

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this Agreement, the parties agree as follows:

A. Definitions

Unless otherwise specified herein, capitalized terms used in this Agreement shall have the same meanings as given in the Privacy Rule, the Security Rule, the Breach Notification Rule, and HITECH Act, as and when amended from time to time.

1. Breach shall have the same meaning given to such term under the HIPAA Regulations [45 C.F.R. §164.402] and the HITECH Act [42 U.S.C. §§17921 et seq.], and as further described in California Civil Code section 1798.82.

2. Business Associate (BA) shall have the same meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including but not limited to 42 U.S.C. section 17921 and 45 C.F.R. section 160.103.

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3. Covered Entity (CE) shall have the same meaning given to such term as under the Privacy Rule and Security Rule, including, but not limited to 45 C.F.R. section 160.103.

4. Designated Record Set shall have the same meaning given to such term under 45 C.F.R. section 164.501.

5. Electronic Protected Health Information (ePHI) means PHI that is maintained in or transmitted by electronic media as defined in the Security Rule, 45 C.F.R. section 164.103.

6. Individual shall have the same meaning given to such term under 45 C.F.R. section 160.103.

7. Privacy Rule means the regulations promulgated under HIPAA by the United States Department of Health and Human Services (HHS) to protect the privacy of Protected Health Information, including, but not limited to, 45 C.F.R. Parts 160 and 164, subparts A and E.

8. Protected Health Information (PHI) shall have the same meaning given to such term under 45 C.F.R. section 160.103, limited to the information received from, or created or received by Business Associate from or on behalf of, CE.

9. Security Rule means the regulations promulgated under HIPAA by HHS to protect the security of ePHI, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164, subparts A and C.

10. Unsecured PHI shall have the same meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act, including, but not limited to 42 U.S.C. section 17932, subdivision (h).

B. Obligations and Activities of BA

1. Permitted Uses and Disclosures

BA may disclose PHI: (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) for purposes of Treatment, Payment and Operations (TPO); (iv) as required by law; or (v) for Data Aggregation purposes for the Health Care Operations of CE. Prior to making any other disclosures, BA must obtain a written authorization from the Individual.

If BA discloses PHI to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this Agreement and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach. [42 U.S.C. section 17932; 45 C.F.R. sections 164.504(e)(2)(i),

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164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)]

2. Prohibited Uses and Disclosures

i. BA shall not use, access or further disclose PHI other than as permitted or required by this Agreement and as specified in the attached Contract or as required by law. Further, BA shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act. BA shall disclose to its employees, agents, or other third parties, and request from CE, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder.

ii. BA shall not use or disclose PHI for fundraising or marketing purposes.

iii. BA shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates. (42 U.S.C. section 17935(a) and 45 C.F.R. section 164.522(a)(1)(i)(A).)

iv. BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted by the HITECH Act (42 U.S.C. section 17935(d)(2); and 45 C.F.R. section 164.508); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to this Agreement.

3. Appropriate Safeguards

i. BA shall implement appropriate safeguards to prevent the unauthorized use or disclosure of PHI, including, but not limited to administrative, physical, and technical safeguards that reasonably protect the confidentiality, integrity and availability of the PHI BA creates, receives, maintains, or transmits on behalf of the CE, in accordance with 45 C.F.R. sections 164.308, 164.310, 164.312 and 164.316. [45 C.F.R. sections 164.504(e)(2)(ii)(b) and 164.308(b).]

ii. In accordance with 45 C.F.R. section 164.316, BA shall maintain reasonable and appropriate written policies and procedures for its privacy and security program in order to comply with the standards, implementation specifications, or any other requirements of the Privacy Rule and applicable provisions of the Security Rule.

iii. BA shall provide appropriate training for its workforce on the requirements of the Privacy Rule and Security Rule as those regulations affect the proper handling, use confidentiality and disclosure of the CE's PHI.

Such training will include specific guidance relating to sanctions against workforce members who fail to comply with privacy and security policies and procedures and the obligations of the BA under this Agreement.

4. Reporting of Improper Access, Use or Disclosure or Breach

Every suspected and actual Breach shall be reported immediately, but no later than one (1) business day upon discovery, to CE's Office of Compliance, consistent with the regulations under HITECH Act. Upon discovery of a Breach or suspected Breach, BA shall complete the following actions:

i. Provide CE's Office of Compliance with the following information to include but not limited to:

a) Date the Breach or suspected Breach occurred;

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b) Date the Breach or suspected Breach was discovered;

c) Number of staff, employees, agents or other third parties and the names and titles of each person allegedly involved;

d) Number of potentially affected Individual(s) with contact information; and

e) Description of how the Breach or suspected Breach allegedly occurred.

ii. Conduct and document a risk assessment by investigating without unreasonable delay and in no case later than five (5) calendar days of discovery of the Breach or suspected Breach to determine the following:

a) The nature and extent of the PHI involved, including the types of identifiers and likelihood of re-identification;

b) The unauthorized person who had access to the PHI;

c) Whether the PHI was actually acquired or viewed; and

d) The extent to which the risk to PHI has been mitigated.

iii. Provide a completed risk assessment and investigation documentation to CE's Office of Compliance within ten (10) calendar days of discovery of the Breach or suspected Breach with a determination as to whether a Breach has occurred. At the discretion of CE, additional information may be requested.

a) If BA and CE agree that a Breach has not occurred, notification to Individual(s) is not required.

b) If a Breach has occurred, notification to the Individual(s) is required and BA must provide CE with affected Individual(s) name and contact information so that CE can provide notification.

iv. Make available to CE and governing State and Federal agencies in a time and manner designated by CE or governing State and Federal agencies, any policies, procedures, internal practices and records relating to a Breach or suspected Breach for the purposes of audit or should the CE reserve the right to conduct its own investigation and analysis.

5. Access to PHI

To the extent BA maintains a Designated Record Set on behalf of CE, BA shall make PHI maintained by BA or its agents in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule. If BA maintains ePHI, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act. If BA receives a request from an Individual for access to PHI, BA shall immediately forward such request to CE.

6. Amendment of PHI

If BA maintains a Designated Record Set on behalf of the CE, BA shall make any amendment(s) to PHI in a Designated Record Set that the CE directs or agrees to, pursuant to 45 C.F.R. section 164.526, or take other measures as necessary to satisfy CE's obligations under 45 C.F.R. section 164.526, in the time and manner designated by the CE.

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7. Access to Records

BA shall make internal practices, books, and records, including policies and procedures, relating to the use, access and disclosure of PHI received from, or created or received by BA on behalf of, CE available to the Secretary of HHS, in a time and manner designated by the Secretary, for purposes of the Secretary determining CE's compliance with the Privacy Rule and Security Rule and patient confidentiality regulations. Any documentation provided to the Secretary shall also be provided to the CE upon request.

8. Accounting for Disclosures

BA and its agents shall document disclosures of PHI and information related to such disclosures as required by HIPAA. This requirement does not apply to disclosures made for purposes of TPO. BA shall provide an accounting of disclosures to CE or an Individual, in the time and manner designated by the CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents for at least six (6) years prior to the request. At a minimum, the

Information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

9. Termination

CE may immediately terminate this agreement, and any related agreements, if CE determines that BA has breached a material term of this agreement. CE may, at its sole discretion, provide BA an opportunity to cure the breach or end the violation within the time specified by the CE.

10. Return of PHI

Upon termination of this Agreement, BA shall return all PHI required to be retained by the BA employees or agents on behalf of the CE. In the event the BA determines that returning the PHI is not feasible, the BA shall provide the CE with written notification of the conditions that make return not feasible. Additionally, the BA must follow established policies and procedures to ensure PHI is safeguarded and disposed of adequately in accordance with 45 C.F.R. section 164.310, and must submit to the CE a certification of destruction of PHI. For destruction of ePHI, the National Institute of Standards and Technology (NIST) guidelines must be followed. BA further agrees to extend any and all protections, limitations, and restrictions contained in this Agreement, to any PHI retained by BA employees or agents after the termination of this Agreement, and to limit any further use, access or disclosures.

11. Breach by the CE

Pursuant to 42 U.S.C. section 17934, subdivision (b), if the BA is aware of any activity or practice by the CE that constitutes a material Breach or violation of the CE's obligations under this Agreement, the BA must take reasonable steps to address the Breach and/or end eliminate the continued violation, if

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the BA has the capability of mitigating said violation. If the BA is unsuccessful in eliminating the violation and the CE continues with non-compliant activity, the BA must terminate the Agreement (if feasible) and report the violation to the Secretary of HHS.

12. Mitigation

BA shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to BA of a use, access or disclosure of PHI by BA, its agents in violation of the requirements of this Agreement.

13. Costs Associated to Breach

BA shall be responsible for reasonable costs associated with a Breach. Costs shall be based upon the required notification type as deemed appropriate and necessary by the CE and shall not be reimbursable under the Agreement at any time. CE shall determine the method to invoice the BA for said costs. Costs shall incur at the current rates and may include, but are not limited to the following:

- Postage;
- Alternative means of notice;
- Media notification; and
- Credit monitoring services.

14. Direct Liability

BA may be held directly liable under HIPAA for impermissible uses and disclosures of PHI; failure to provide breach notification to CE; failure to provide access to a copy of ePHI to CE or individual; failure to disclose PHI to the Secretary of HHS when investigating BA's compliance with HIPAA; failure to provide an accounting of disclosures.

15. Indemnification

BA agrees to indemnify, defend and hold harmless CE and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, penalties, injuries, costs and expenses (including costs for reasonable attorney fees) that are caused by or result from the acts or omissions of BA, its officers, employees and agents, with respect to the use, access, maintenance or disclosure of CE's PHI, including without limitation, any Breach of PHI or any expenses incurred by CE in providing required Breach notifications.

16. Judicial or Administrative Proceedings

CE may terminate the Contract, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws or (ii) a finding or stipulation is made in any administrative or civil proceeding in which the BA has been joined that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or

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privacy laws.

17. Insurance

In addition to any general and/or professional liability insurance coverage required of BA under the Contract for services, BA shall provide appropriate liability insurance coverage during the term of this Agreement to cover any and all claims, causes of action, and demands whatsoever made for loss, damage, or injury to any person arising from the breach of the security, privacy, or confidentiality obligations of BA, its agents or employees, under this Agreement and under HIPAA 45 C.F.R. Parts 160 and 164, Subparts A and E.

18. Assistance in Litigation or Administrative Proceedings

BA shall make itself, and any employees, or agents assisting BA in the performance of its obligations under the Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers, or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where BA employee or agent is a named adverse party.

C. Obligations of CE

CE shall notify BA of any of the following, to the extent that such may affect BA's use, access, maintenance or disclosure of PHI:

i. Any limitation(s) in CE's notice of privacy practices in accordance with 45 C.F.R. section 164.520.

ii. Any changes in, or revocation of, permission by an individual to use, access or disclose PHI.

iii. Any restriction to the use, access or disclosure of PHI that CE has agreed to in accordance with 45 C.F.R. section 164.522.

D. General Provisions

1. Remedies

BA agrees that CE shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which CE may have at law or in equity in the event of an unauthorized use, access or disclosure of PHI by BA or any agent of BA that received PHI from BA.

2. Ownership

The PHI shall be and remain the property of the CE. BA agrees that it acquires no title or rights to the PHI.

3. Regulatory References

A reference in this Agreement to a section in the Privacy Rule and Security Rule and patient confidentiality regulations means the section as in effect or as amended.

4. No Third-Party Beneficiaries

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Nothing express or implied in the Contract or this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

5. Amendment

The parties acknowledge that state and federal laws related to privacy and security of PHI are rapidly evolving and that amendment of the Contract or this Agreement may be required to ensure compliance with such developments. The parties shall negotiate in good faith to amend this Agreement when and as necessary to comply with applicable laws. If either party does not agree to so amend this Agreement within 30 days after receiving a request for amendment from the other, either party may terminate the Agreement upon written notice. To the extent an amendment to this Agreement is required by law and this Agreement has not been so amended to comply with the applicable law in a timely manner, the amendment required by law shall be deemed to be incorporated into this Agreement automatically and without further action required by either of the parties. Subject to the foregoing, this Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed and agreed to by BA and CE.

6. Interpretation

Any ambiguity in this Agreement shall be resolved to permit CE to comply with the Privacy and Security Rules, the HITECH Act, and all applicable patient confidentiality regulations.

7. Compliance with State Law

In addition to HIPAA and all applicable HIPAA Regulations, BA acknowledges that BA and CE may have confidentiality and privacy obligations under State law, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq. ("CMIA")). If any provisions of this Agreement or HIPAA Regulations or the HITECH Act conflict with CMIA or any other California State law regarding the degree of protection provided for PHI and patient medical records, then BA shall comply with the more restrictive requirements.

8. Survival

The respective rights and obligations and rights of CE and BA relating to protecting the confidentiality or a patient's PHI shall survive the termination of the Contract or this Agreement.

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Exhibit A - Provider Rates

Cost per Unit (1 minute = Unit) Per Hour (60 min)	Profession	Per minute	Per Hour
Case Management Services	Clinical Therapist I	$7.40	$444.00
	Social Worker II, Mental Health Specialist	$5.57	$334.20
	Peer and Family Advocate	$5.85	$351.00
Mental Health/Therapy Services	Clinical Therapist I	$7.40	$444.00
	Social Worker II, Mental Health Specialist	$5.57	$334.20
	Peer and Family Advocate	$5.85	$351.00
Crisis related Services	Clinical Therapist I	$7.40	$444.00
	Social Worker II, Mental Health Specialist	$5.57	$334.20
	Peer and Family Advocate	$5.85	$351.00
Crisis Intervention	Clinical Therapist I	$7.40	$444.00
	Social Worker II, Mental Health Specialist	$5.57	$334.20
	Peer and Family Advocate	$5.85	$351.00
Case Management / Referral	Clinical Therapist I	$7.40	$444.00
	Social Worker II, Mental Health Specialist	$5.57	$334.20
	Peer and Family Advocate	$5.85	$351.00
Mental Health Services	Clinical Therapist I	$7.40	$444.00
	Social Worker II, Mental Health Specialist	$5.57	$334.20
	Peer and Family Advocate	$5.85	$351.00

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MEMORANDUM OF UNDERSTANDING

between

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

and

STEP UP

for

IN-KIND SERVICE MATCH RELATED TO PROJECT GATEWAY

March 1, 2025 - February 28, 2026

WHEREAS, Housing Authority of the County of San Bernardino, Continuum of Care grantee, hereinafter referred to as HACSB, provides rental assistance to chronically homeless families who are in need of case management and supportive services through Continuum of Care (CoC) grant CA0878L9D092410; and

WHEREAS, Step Up provides case management and supportive services to eligible chronically homeless clients and their families in need of permanent housing in San Bernardino County who meet medical necessity, agree to participate in services, and have been referred to Step Up by DBH; and

WHEREAS, HACSB agrees to work with Step Up in assisting eligible families to access housing, and in return Step Up agrees to provide in-kind case management services to FSP enrolled participants in the Project Gateway Program (CoC); and

WHEREAS, HACSB and Step Up desire an agreement for the purpose of defining their respective roles in both providing housing assistance and supportive services to participants in the Project Gateway (CoC) in order to achieve and maintain an enriched quality of life; and

NOW THEREFORE, Step Up and HACSB mutually agree to the following terms and conditions:

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I. PURPOSE

This Memorandum of Understanding (MOU) outlines the collaborative efforts between HACSB and Step Up regarding the Project Gateway Continuum of Care (CoC) grant number CA0878L9D092410. This grant is to provide housing and supportive services to the most vulnerable chronically homeless individuals and families. The value of the supportive services will be used to satisfy the match requirement of the U.S. Department of Housing and Urban Development's CoC Program.

The primary goal of this grant is to assist the chronically homeless individuals/families to successfully transition into—and maintain—permanent housing.

Rental Assistance for 12 families is available. The Coordinated Entry System (CES) will identify and refer chronically homeless individuals/families as defined in Section II. HACSB will administer the rental assistance while Step Up will provide case management and supportive services to participants who meet medical necessity, agree to participate in FSP volunteer services, and have been referred to Step Up through DBH.

The rental assistance is funded by the Department of Housing and Urban Development (HUD) and HACSB is the grantee. As such it is HACSB's responsibility to determine if the household meets Program eligibility.

II. DEFINITIONS

1. *Authorization for Release of Protected Health Information* - A Health Insurance Portability and Accountability Act compliant authorization signed by the client or client's legal representative, authorizing Step Up to release the client's information to a designated recipient. This form must be completed thoroughly with specified records to be shared, a designated time frame and expiration date, as well as a signature by the Step Up client or his/her legal representative. If the form is signed by a legal representative, proof from the court system designating legal representation must accompany the request.

2. *Chronically Homeless* - Refers to a homeless individual who has experienced homelessness for a year or longer, or who has experienced at least four episodes of homelessness in the last three years and has a disability.

3. *Clients / Participants* - Refers to persons enrolled into the Program. The Housing Authority considers those enrolled in the Program as "participants" or "tenants" while Step Up staff refer to them as "clients."

4. *Coordinated Entry System (CES)* - A County-wide, centralized and streamlined process of identifying those who are homeless and triaging the housing search and match for those who are chronically homeless.

5. *Step Up* - Step Up is responsible for providing specialty mental health services and/or substance use disorder services to County residents who are experiencing mental illness and/or substance use disorders. Step Up provides treatment services and education for communities and residents of San Bernardino County through contracts with community-based organizations and clinics with the goal of promoting prevention, intervention, recovery, and resiliency for individuals and families.

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6. *Family* - Used interchangeably with "applicant" or "participant" and indicates household constellations that consist of adults and/or adults with children.

7. *Health Insurance Portability and Accountability Act (HIPAA)* -A federal law designed to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and for other purposes.

8. *Moving On Program* – A program that assists tenants who are ready and wish to leave Permanent Supportive Housing (PSH) by connecting them with affordable housing, financial assistance, and transition supports (services to help tenants prepare for, navigate, and adjust to their transition out of PSH).

9. *Personally Identifiable Information (PII)* - PII is information that can be used alone or in conjunction with other personal or identifying information, which is linked or linkable to a specific individual. This includes: name, social security number, date of birth, address, driver's license, photo identification, other identifying number (case number, client index number, and transactional database system number /medical record number, etc.).

10. *Protected Health Information (PHI)* - PHI is individually identifiable health information held or transmitted by a covered entity or its business associate, in any form or media, whether electronic, paper or oral. Individually identifiable information is information, including demographic data, that relates to the individual's past, present or future physical or mental health or condition; the provision of health care to the individual; or the past, present, or future payment for the provision of health care to the individual, and identifies the individual or for which there is reasonable basis to believe it can be used to identify the individual. PHI excludes individually identifiable health information in education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; in records described at 20 U.S.C. 1232g(a)(4)(B)(iv); in employment records held by a covered entity in its role as employer; and regarding a person who has been deceased for more than fifty (50) years.

11. *Program or Continuum of Care Program* - Refers broadly to the provision of U.S. Department of Housing and Urban Development's CoC Program to provide housing and supportive services to the most vulnerable chronically homeless individuals and families.

12. *Supportive Housing* - Refers to permanent housing programs in which participants receive subsidized affordable housing, referral to mainstream services, as well a clinical and social support to assist a client to maintain their residency, psychiatric stability, and to attain a level of independence.

13. *Tenant* - Used to refer to participants in terms of their relation to landlords.

14. *Landlord*- Refers to an individual, firm, corporation, partnership, or similar entity that holds title to the housing that receives funding through rental subsidies on behalf of this Program.

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III. HACSB RESPONSIBILITIES

HACSB shall:

1. Accept referrals from CES and screen applicants to ensure individuals meet HUD determined guidelines governing the Program, including chronically homeless criteria.

2. HACSB follows Housing First principles with its CoC programs.

3. Notify the applicant of acceptance into the Program and informing the applicant about attending an orientation meeting to provide instructions to applicants on policies and to outline applicant's rental responsibilities.

4. Conduct initial and periodic unit inspections to assure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards or applicable HUD standard.

5. Determine if the contract rent for each approved unit meets rent reasonableness.

6. Approve payment of the difference between the rent approved by HACSB and Tenant rent amount.

7. Ensure that Landlords understand their rights and responsibilities under the Program and respond to complaints and appeals regarding housing services.

8. Administer the rental assistance in accordance with applicable Program regulations and requirements.

9. Provide training to Step Up staff on HACSB's procedures and Program requirements.

10. Maintain a consent to release of information relevant to the Program and its requirements signed by each applicant in the Program to ensure open communication between Step Up and HACSB to support housing retention efforts.

11. Have staff complete all required Homeless Management Information System (HMIS) trainings and ensure that data entry into HMIS meets quality standards.

12. Submit the Annual Performance Report in Sage.

13. Document at least 25% In-Kind match for the amount of funding received.

14. Conduct regular monthly meetings with Step Up.

15. Comply with all provisions of this MOU and ATTACHMENT I - Business Associate Agreement.

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IV. STEP UP RESPONSIBILITIES

Step Up shall:

1. Agree to provide the following services:

    a. Assessment of Service Needs

    b. Case Management

    c. Employment Assistance

    d. Housing/Counseling Services

    e. Life Skills

    f. Mental Health Services

    g. Outreach Services

    h. Substance Abuse Treatment Services

    i. Transportation

2. Commit to an In-Kind service value match of $85,922.

3. If there is drug-related criminal activity pertaining to possession or being under the influence, Step Up in collaboration with DBH will work with client-family member with enrollment, attendance, and participation in treatment related activities.

4. Work with client-family to address any outstanding criminal issues that might create future barriers to successfully sustain their housing over time and enhance opportunities for personal and economic growth where appropriate.

5. Provide adequate staff resources to provide case management to eligible families and enrolled individuals.

6. Provide transitional support to clients identified as candidates for the Moving On Program, which includes educating clients on changes to the housing program, providing community resources, and assisting with resources and housing stabilization for clients who are relocated.

7. Provide aftercare services for clients who are transitioning to the Moving On Program for at least 24 months following the client's transition from the CoC program. Services may include but are not limited to a variety of supports around health care engagement, medication assistance, connection to social services, independent living skills coaching, housing stabilization, and assistance with housing program compliance.

8. Attend regular meetings with HACSB.

9. Comply with all requirements of the Project Gateway Continuum of Care (CoC) grant CA0878L9D092410.

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10. Comply with the provisions of this MOU.

V. STEP UP GENERAL RESPONSIBILITIES

Pursuant to HIPAA, Step Up has implemented administrative, physical, and technical safeguards to protect the confidentiality, integrity, and availability of PHI transmitted or maintained in any form or medium.

VI. MUTUAL RESPONSIBILITIES

1. Step Up and HACSB enter into this MOU to provide supportive services and rental assistance for qualified chronically homeless individuals and families.

2. Comply with the relevant grant eligibility requirements of the Continuum of Care Program.

3. Agree to ensure the coordination and collaboration between staff in each agency to the benefit of county residents experiencing homelessness and entering the county's system of care.

4. Ensure the appropriate data sharing and releases of information are in place.

5. Monitor and ensure compliance with service delivery, rental subsides, fiscal tracking, and program expenditures.

6. On a monthly basis, meet to ensure routine collaboration between agencies for the benefit of participants.

7. Adherence to all State and Federal privacy laws in the processing and inter-agency collaboration.

8. On a routine basis will exchange data regarding rental subsidies, client data, client outcome measures and any data required by State Department of Mental Health or discretionary reports requested by each agency.

9. Collaboration between HACSB and Step Up staff will be maintained to ensure that all services are consistent with Federal and State Fair Housing guidelines, regulations from the State Department of Mental Health and/or each agencies' standard policies and procedures.

10. Applications must be evaluated and meet the criteria established by each agency prior to admittance into the Program. Each agency will be responsible to complete an independent screening of applicants, based on the agency's guidelines and qualifications. Step Up will evaluate applications to ensure compliance with mental health disability-related requirements while HACSB will evaluate applications to ensure clearance of eligibility standards of the related rental assistance grant.

11. Agree to collaborate on future Notice of Funding Availability (NOFA) for the Program and provide information requested in the NOFA to HACSB in a timely manner.

12. Privacy and Security

    a. Both parties shall adhere to any applicable privacy-related policies pertaining to PII.

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Step Up has a specific responsibility to comply with all applicable State and Federal regulations pertaining to privacy and security of client PII and strictly maintain the confidentiality of behavioral health records, and HACSB shall assist Step Up in upholding said confidentiality by applying safeguards as discussed herein. Regulations have been promulgated governing the privacy and security of individually Identifiable Health Information (IIHI) PHI or electronic Protected Health Information (ePHI).

b. In addition to the aforementioned protection of IIHI, PHI and e-PHI, both parties shall adhere to the protection of PII and Medi-Cal PII. PII includes any information that can be used to search for or identify individuals such as but not limited to name, social security number or date of birth. Medi-Cal PII is the information that is directly obtained in the course of performing an administrative function on behalf of Medi-Cal, such as determining eligibility that can be used alone in conjunction with any other information to identify an individual.

c. Reporting Improper Access, Use, or Disclosure of Unsecure PHI and PII

Upon discovery of any unauthorized use, access or disclosure of PHI or any other security incident with regards to PHI or PII, HACSB agrees to report to Step Up no later than one (1) business day upon the discovery of a potential breach. HACSB shall cooperate and provide information to HACSB to assist with appropriate reporting requirements.

13. Both parties shall ensure any Step Up client PHI that is stored on its premises will be locked and secure in adherence to IIHI and PHI privacy requirements.

VII. FISCAL PROVISIONS

This is a coordination of services agreement, there is no payment of costs or fiscal obligations between the agencies. HACSB and Step Up are individually responsible for any costs incurred by their respective organizations due to commitments described in this MOU. Staffing will be maintained by each agency per the department budgets and the Exhibit A-Provider Rates attachment. Staffing is required to operate the services required under this MOU.

As part of the Project Gateway CoC grant CA0878L9D092410, HACSB is required to document at least 25% in-kind match for the amount of funding received. The value of the services provided by Step Up will contribute to meeting the required annual match. As required by HUD regulations, rates for services must be consistent with those ordinarily paid by other employers for similar work. This value is based on the negotiated rates established by Cal Aim for each Medi-Cal mode and service function that Step Up is certified to provide based on the most recently filed cost report and trended forward using a cost of living index. This best represents how services are delivered and can be quantified to an applicable cost that includes both the salaries and benefits for staff as well as the applicable operating services those staff would incur, which collectively represents the cost of service to support the in-kind match requirement.

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VIII. RIGHT TO MONITOR AND AUDIT

HACSB and Step Up shall cooperate in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements as established by HUD to administer the Program.

HACSB and Step Up further agree to cooperate with HUD, maintain, and provide requested data to HUD and follow all evaluation protocols established by HUD.

IX. TERM

The MOU is effective as of March 1, 2025 and expires February 28, 2026.

X. DESIGNATED PROGRAM LIAISONS

The following individuals will serve as the lead liaison for the program.

HACSB's liaison is as follows:
Name and Title: Mayra Small, Housing Services Manager
Address: 672 S. Waterman Avenue
San Bernardino, CA 92408
E-mail Address: msmall@hacsb.com
Telephone Number: 909-890-5306
Fax Number: 909-890-5306

Step Up liaison is as follows:
Name and Title: Eddie Estrada, Vice President
Address: 290 North D Street, Suite 700
San Bernardino, CA 92401
E-mail Address: eestrada@stepup.org
Telephone Number: (909) 677-7275
Fax Number: (909) 313-2320

XI. INDEMNIFICATION

1. HACSB agrees to indemnify, defend and hold harmless Step Up, its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of HACSB, including the acts, errors or omissions of HACSB and for any costs or expenses incurred by Step Up on account of any claim resulting from the acts or negligence of HACSB or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

2. Step Up agrees to indemnify, defend and hold harmless HACSB and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of Step Up, including the acts, errors or omissions of Step Up and for any costs or expenses incurred by HACSB on account of any claim resulting from the acts or negligence of Step Up or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

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3. If the Parties are determined to be comparatively at fault for any claim, action, loss, or damage which results from their respective obligations under this Agreement, each Party shall indemnify the others to the extent of its comparative fault as determined in a legal action.

XII. GENERAL PROVISIONS

1. No waiver of any of the provisions of the MOU documents shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under any MOU document shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.

2. Any alterations, variations, modifications, or waivers of provisions of the MOU, unless specifically allowed in the MOU, shall be valid only when they have been reduced to writing, duly signed, and approved by the Authorized Representatives of both parties as an amendment to this MOU. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

3. This MOU shall be governed by and construed according to the laws of the State of California. The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, San Bernardino County, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this MOU is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, San Bernardino District.

4. Either party reserves the right to terminate the Contract, for cause or lack of funding, with a thirty (30) day written notice of termination to the other party.

5. HACSB and Step Up are authorized self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability, Worker's Compensation and Property Damage and warrant that through their respective programs of self-insurance, they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this MOU.

XIII. CONCLUSION

1. This MOU, consisting of eleven (11) pages is the full and complete document describing services to be rendered by Step Up and HACSB including all covenants, conditions, and benefits.

2. The signatures of the Parties affixed to this MOU affirm that they are duly authorized to commit and bind their respective departments to the terms and conditions set forth in this document.

This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same MOU. The parties shall be entitled to sign and transmit an electronic signature of this MOU (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed MOU upon request.

STEP UP

(Print or type name of corporation, company, contractor, etc.)

► DocuSigned by:

(Authorized signature)

Name: Eddie Estrada

(Print or type name of person signing contract)

Title: Vice President

(Print or Type)

Dated: 1/23/2026

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

(Print or type name of corporation, company, contractor, etc.)

► DocuSigned by: Maria Razo

(Authorized signature)

Name: Maria Razo

(Print or type name of person signing contract)

Title: Executive Director

(Print or Type)

Dated: 1/23/2026

Address: 715 E. Brier Drive.,

San Bernardino, CA 92408

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Attachment I – Business Associate Agreement

This Business Associate Agreement (Agreement) supplements and is made a part of the contract (Contract) by and between the Step Up (hereinafter Covered Entity) and Housing Authority of the County of San Bernardino (hereinafter Business Associate). This Agreement is effective as of the effective date of the Contract.

RECITALS

WHEREAS, Covered Entity (CE) wishes to disclose certain information to Business Associate (BA) pursuant to the terms of the Contract, which may include Protected Health Information (PHI); and

WHEREAS, CE and BA intend to protect the privacy and provide for the security of the PHI disclosed to BA pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (HITECH Act), their implementing regulations, and other applicable laws; and

WHEREAS, The Privacy Rule and the Security Rule require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, sections 164.314, subdivision (a), 164.502, subdivision (e), and 164.504, subdivision (e) of the Code of Federal Regulations (C.F.R.) and contained in this Agreement; and

WHEREAS, Pursuant to HIPAA and the HITECH Act, BA shall fulfill the responsibilities of this Agreement by being in compliance with the applicable provisions of the HIPAA Standards for Privacy of PHI set forth at 45 C.F.R. sections 164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards), 164.316 (Policies and Procedures and Documentation Requirements), and, 164.400, et seq. and 42 United States Code (U.S.C.) section 17932 (Breach Notification Rule), in the same manner as they apply to a CE under HIPAA;

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this Agreement, the parties agree as follows:

A. Definitions

Unless otherwise specified herein, capitalized terms used in this Agreement shall have the same meanings as given in the Privacy Rule, the Security Rule, the Breach Notification Rule, and HITECH Act, as and when amended from time to time.

1. Breach shall have the same meaning given to such term under the HIPAA Regulations [45 C.F.R. §164.402] and the HITECH Act [42 U.S.C. §§17921 et seq.], and as further described in California Civil Code section 1798.82.

2. Business Associate (BA) shall have the same meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including but not limited to 42 U.S.C. section 17921 and 45 C.F.R. section 160.103.

3. Covered Entity (CE) shall have the same meaning given to such term as under the Privacy Rule and Security Rule, including, but not limited to 45 C.F.R. section 160.103.

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4. Designated Record Set shall have the same meaning given to such term under 45 C.F.R. section 164.501.

5. Electronic Protected Health Information (ePHI) means PHI that is maintained in or transmitted by electronic media as defined in the Security Rule, 45 C.F.R. section 164.103.

6. Individual shall have the same meaning given to such term under 45 C.F.R. section 160.103.

7. Privacy Rule means the regulations promulgated under HIPAA by the United States Department of Health and Human Services (HHS) to protect the privacy of Protected Health Information, including, but not limited to, 45 C.F.R. Parts 160 and 164, subparts A and E.

8. Protected Health Information (PHI) shall have the same meaning given to such term under 45 C.F.R. section 160.103, limited to the information received from, or created or received by Business Associate from or on behalf of, CE.

9. Security Rule means the regulations promulgated under HIPAA by HHS to protect the security of ePHI, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164, subparts A and C.

10. Unsecured PHI shall have the same meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act, including, but not limited to 42 U.S.C. section 17932, subdivision (h).

B. Obligations and Activities of BA

1. Permitted Uses and Disclosures

BA may disclose PHI: (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) for purposes of Treatment, Payment and Operations (TPO); (iv) as required by law; or (v) for Data Aggregation purposes for the Health Care Operations of CE. Prior to making any other disclosures, BA must obtain a written authorization from the Individual.

If BA discloses PHI to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this Agreement and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach. [42 U.S.C. section 17932; 45 C.F.R. sections 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)]

2. Prohibited Uses and Disclosures

i. BA shall not use, access or further disclose PHI other than as permitted or required by this Agreement and as specified in the attached Contract or as required by law. Further, BA shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act. BA shall disclose to its employees, agents, or other third parties, and request from CE, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder.

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ii. BA shall not use or disclose PHI for fundraising or marketing purposes.

iii. BA shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates. (42 U.S.C. section 17935(a) and 45 C.F.R. section 164.522(a)(1)(i)(A).)

iv. BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted by the HITECH Act (42 U.S.C. section 17935(d)(2); and 45 C.F.R. section 164.508); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to this Agreement.

3. Appropriate Safeguards

i. BA shall implement appropriate safeguards to prevent the unauthorized use or disclosure of PHI, including, but not limited to administrative, physical, and technical safeguards that reasonably protect the confidentiality, integrity and availability of the PHI BA creates, receives, maintains, or transmits on behalf of the CE, in accordance with 45 C.F.R. sections 164.308, 164.310, 164.312 and 164.316. [45 C.F.R. sections 164.504(e)(2)(ii)(b) and 164.308(b).]

ii. In accordance with 45 C.F.R. section 164.316, BA shall maintain reasonable and appropriate written policies and procedures for its privacy and security program in order to comply with the standards, implementation specifications, or any other requirements of the Privacy Rule and applicable provisions of the Security Rule.

iii. BA shall provide appropriate training for its workforce on the requirements of the Privacy Rule and Security Rule as those regulations affect the proper handling, use confidentiality and disclosure of the CE's PHI.

Such training will include specific guidance relating to sanctions against workforce members who fail to comply with privacy and security policies and procedures and the obligations of the BA under this Agreement.

4. Reporting of Improper Access, Use or Disclosure or Breach

Every suspected and actual Breach shall be reported immediately, but no later than one (1) business day upon discovery, to CE's Office of Compliance, consistent with the regulations under HITECH Act. Upon discovery of a Breach or suspected Breach, BA shall complete the following actions:

i. Provide CE's Office of Compliance with the following information to include but not limited to:

a) Date the Breach or suspected Breach occurred;

b) Date the Breach or suspected Breach was discovered;

c) Number of staff, employees, agents or other third parties and the names and titles of each person allegedly involved;

d) Number of potentially affected individual(s) with contact information; and

e) Description of how the Breach or suspected Breach allegedly occurred.

ii. Conduct and document a risk assessment by investigating without

unreasonable delay and in no case later than five (5) calendar days of discovery of the Breach or suspected Breach to determine the following:

a) The nature and extent of the PHI involved, including the types of identifiers and likelihood of re-identification;

b) The unauthorized person who had access to the PHI;

c) Whether the PHI was actually acquired or viewed; and

d) The extent to which the risk to PHI has been mitigated.

iii. Provide a completed risk assessment and investigation documentation to CE's Office of Compliance within ten (10) calendar days of discovery of the Breach or suspected Breach with a determination as to whether a Breach has occurred. At the discretion of CE, additional information may be requested.

a) If BA and CE agree that a Breach has not occurred, notification to Individual(s) is not required.

b) If a Breach has occurred, notification to the Individual(s) is required and BA must provide CE with affected Individual(s) name and contact information so that CE can provide notification.

iv. Make available to CE and governing State and Federal agencies in a time and manner designated by CE or governing State and Federal agencies, any policies, procedures, internal practices and records relating to a Breach or suspected Breach for the purposes of audit or should the CE reserve the right to conduct its own investigation and analysis.

5. Access to PHI

To the extent BA maintains a Designated Record Set on behalf of CE, BA shall make PHI maintained by BA or its agents in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule. If BA maintains ePHI, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act. If BA receives a request from an Individual for access to PHI, BA shall immediately forward such request to CE.

6. Amendment of PHI

If BA maintains a Designated Record Set on behalf of the CE, BA shall make any amendment(s) to PHI in a Designated Record Set that the CE directs or agrees to, pursuant to 45 C.F.R. section 164.526, or take other measures as necessary to satisfy CE's obligations under 45 C.F.R. section 164.526, in the time and manner designated by the CE.

7. Access to Records

BA shall make internal practices, books, and records, including policies and procedures, relating to the use, access and disclosure of PHI received from, or created or received by BA on behalf of, CE available to the Secretary of HHS, in a time and manner designated by the Secretary, for purposes of the Secretary determining CE's compliance with the Privacy Rule and Security Rule and patient confidentiality regulations. Any documentation provided to the Secretary shall also be provided to the CE upon request.

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8. Accounting for Disclosures

BA and its agents shall document disclosures of PHI and information related to such disclosures as required by HIPAA. This requirement does not apply to disclosures made for purposes of TPO. BA shall provide an accounting of disclosures to CE or an Individual, in the time and manner designated by the CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents or for at least six (6) years prior to the request. At a minimum, the

Information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

9. Termination

CE may immediately terminate this agreement, and any related agreements, if CE determines that BA has breached a material term of this agreement. CE may, at its sole discretion, provide BA an opportunity to cure the breach or end the violation within the time specified by the CE.

10. Return of PHI

Upon termination of this Agreement, BA shall return all PHI required to be retained by the BA or its employees or agents on behalf of the CE. In the event the BA determines that returning the PHI is not feasible, the BA shall provide the CE with written notification of the conditions that make return not feasible. Additionally, the BA must follow established policies and procedures to ensure PHI is safeguarded and disposed of adequately in accordance with 45 C.F.R. section 164.310, and must submit to the CE a certification of destruction of PHI. For destruction of ePHI, the National Institute of Standards and Technology (NIST) guidelines must be followed. BA further agrees to extend any and all protections, limitations, and restrictions contained in this Agreement, to any PHI retained by BA employees or agents after the termination of this Agreement, and to limit any further use, access or disclosures.

11. Breach by the CE

Pursuant to 42 U.S.C. section 17934, subdivision (b), if the BA is aware of any activity or practice by the CE that constitutes a material Breach or violation of the CE's obligations under this Agreement, the BA must take reasonable steps to address the Breach and/or end eliminate the continued violation, if the BA has the capability of mitigating said violation. If the BA is unsuccessful in eliminating the violation and the CE continues with non-compliant activity, the BA must terminate the Agreement (if feasible) and report the violation to the Secretary of HHS.

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12. Mitigation

BA shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to BA of a use, access or disclosure of PHI by BA, its agents in violation of the requirements of this Agreement.

13. Costs Associated to Breach

BA shall be responsible for reasonable costs associated with a Breach. Costs shall be based upon the required notification type as deemed appropriate and necessary by the CE and shall not be reimbursable under the Agreement at any time. CE shall determine the method to invoice the BA for said costs. Costs shall incur at the current rates and may include, but are not limited to the following:

- Postage;
- Alternative means of notice;
- Media notification; and
- Credit monitoring services.

14. Direct Liability

BA may be held directly liable under HIPAA for impermissible uses and disclosures of PHI; failure to provide breach notification to CE; failure to provide access to a copy of ePHI to CE or individual; failure to disclose PHI to the Secretary of HHS when investigating BA's compliance with HIPAA; failure to provide an accounting of disclosures.

15. Indemnification

BA agrees to indemnify, defend and hold harmless CE and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, penalties, injuries, costs and expenses (including costs for reasonable attorney fees) that are caused by or result from the acts or omissions of BA, its officers, employees and agents, with respect to the use, access, maintenance or disclosure of CE's PHI, including without limitation, any Breach of PHI or any expenses incurred by CE in providing required Breach notifications.

16. Judicial or Administrative Proceedings

CE may terminate the Contract, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws or (ii) a finding or stipulation is made in any administrative or civil proceeding in which the BA has been joined that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws.

17. Insurance

In addition to any general and/or professional liability insurance coverage required of BA under the Contract for services, BA shall provide appropriate liability insurance coverage during the term of this Agreement to cover any and all claims, causes of action, and demands whatsoever made for loss, damage,

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or injury to any person arising from the breach of the security, privacy, or confidentiality obligations of BA, its agents or employees, under this Agreement and under HIPAA 45 C.F.R. Parts 160 and 164, Subparts A and E.

18. Assistance in Litigation or Administrative Proceedings

BA shall make itself, and any employees, or agents assisting BA in the performance of its obligations under the Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers, or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where BA employee or agent is a named adverse party.

C. Obligations of CE

CE shall notify BA of any of the following, to the extent that such may affect BA's use, access, maintenance or disclosure of PHI:

i. Any limitation(s) in CE's notice of privacy practices in accordance with 45 C.F.R. section 164.520.

ii. Any changes in, or revocation of, permission by an individual to use, access or disclose PHI.

iii. Any restriction to the use, access or disclosure of PHI that CE has agreed to in accordance with 45 C.F.R. section 164.522.

D. General Provisions

1. Remedies

BA agrees that CE shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which CE may have at law or in equity in the event of unauthorized use, access or disclosure of PHI by BA or any agent of BA that received PHI from BA.

2. Ownership

The PHI shall be and remain the property of the CE. BA agrees that it acquires no title or rights to the PHI.

3. Regulatory References

A reference in this Agreement to a section in the Privacy Rule and Security Rule and patient confidentiality regulations means the section as in effect or as amended.

4. No Third-Party Beneficiaries

Nothing express or implied in the Contract or this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

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5. Amendment

The parties acknowledge that state and federal laws related to privacy and security of PHI are rapidly evolving and that amendment of the Contract or this Agreement may be required to ensure compliance with such developments. The parties shall negotiate in good faith to amend this Agreement when and as necessary to comply with applicable laws. If either party does not agree to so amend this Agreement within 30 days after receiving a request for amendment from the other, either party may terminate the Agreement upon written notice. To the extent an amendment to this Agreement is required by law and this Agreement has not been so amended to comply with the applicable law in a timely manner, the amendment required by law shall be deemed to be incorporated into this Agreement automatically and without further action required by either of the parties. Subject to the foregoing, this Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed and agreed to by BA and CE.

6. Interpretation

Any ambiguity in this Agreement shall be resolved to permit CE to comply with the Privacy and Security Rules, the HITECH Act, and all applicable patient confidentiality regulations.

7. Compliance with State Law

In addition to HIPAA and all applicable HIPAA Regulations, BA acknowledges that BA and CE may have confidentiality and privacy obligations under State law, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq. ("CMIA")). If any provisions of this Agreement or HIPAA Regulations or the HITECH Act conflict with CMIA or any other California State law regarding the degree of protection provided for PHI and patient medical records, then BA shall comply with the more restrictive requirements.

8. Survival

The respective rights and obligations and rights of CE and BA relating to protecting the confidentiality or a patient's PHI shall survive the termination of the Contract or this Agreement.

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Exhibit A - Provider Rates

Cost per Unit (1 minute = Unit) Per Hour (60 min)	**Profession**	**Per minute**	**Per Hour**
Case Management Services	Service Coordinator I	$1.87	$112.20
Mental Health/Therapy Services	Service Coordinator II	$2.41	$144.60
Medication Support/ Nursing Services	Lead Nurse or Nurse Service Coordinator	$4.45	$267.00
Crisis related Services	Service Coordinator II Licensed Management	$3.58	$214.80

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Non-Financial Memorandums of Understanding with Valley Star for Continuum of Care Grant Programs

RECOMMENDATION(S)

1. Retroactively approve two non-financial Memorandums of Understanding with Valley Star for the Continuum of Care grants, for the provision of in-kind case management services to participants in the following two separate programs:
   a. Cornerstone program
   b. Laurelbrook Estates program
2. Authorize and direct the Executive Director to execute and deliver a Memorandum of Understanding for each Continuum of Care grant to Valley Star, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
3. Authorize and direct the Executive Director to execute and deliver annual renewals of the Memorandum of Understanding for each Continuum of Care grant upon grant renewal to Valley Star, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.
Aspirational Statement #5: To create, build and utilize partnerships that provide opportunities and create a meaningful difference in the lives of the families that we serve, maximizing our resources by mobilizing the talents of our community partners.

FINANCIAL IMPACT

The recommended Memorandums of Understanding (MOU) with Valley Star are non-financial and as such do not have a financial impact on the Housing Authority of the County of San Bernardino (HACSB).

BACKGROUND INFORMATION

HACSB receives the United States Department of Housing and Urban Development's (HUD) Continuum of Care (CoC) funding to serve chronically homeless persons in the county through permanent supportive housing assistance. With the grant funds, HACSB provides rental subsidies and administers the housing assistance. As an in-kind service, community service providers provide families with case management and other supportive service referrals. The partnership provides a wide range of services to support the housing stability of families to prevent a return to homelessness. HACSB may serve up to 286 families in this program encompassing four ongoing CoC grants.

CoC grants require an in-kind match of 25 percent of the grant amount. The matching requirement is met through the supportive services provided by the San Bernardino County Department of Behavioral Health (DBH) and two DBH contractors: Step Up and Valley Star. Each year, HACSB executes annual renewal MOUs with DBH for the services. Each MOU must include the in-kind match amount, grant number, and term. The grant number, term and match amount change annually. Therefore, a new MOU with DBH for each grant with an in-kind match was required to be executed annually. As such, on April 12, 2022, the Board authorized the Executive Director to execute and deliver annual renewal of the MOU with DBH. Subsequent annual renewal MOUs were executed based on this prior authorization received by the Board.

As in prior years, HACSB executed the 2025 renewal MOUs with DBH and submitted the MOUs to HUD as part of the grant renewal process. However, HUD recently informed HACSB of the need to have separate MOUs with DBH's contractors for each grant for which the contractor is providing direct services to CoC families, and the MOUs had to be backdated to the start of the grant. HUD provided a short deadline for the MOU to be executed, which did not allow sufficient time to bring the MOU to the Board for approval. Since HUD had locked HACSB's funding, the payments to landlords were being fronted by the agency, and as a result the MOU's were urgently executed to resume funding. As such, retroactive approval of the MOU and authorization to execute future annual renewals of the MOU is being brought to the board.

Grant Name	Grant Number	Grant Term
Cornerstone	CA1138L9D092409	11/1/2025 – 10/31/2026
Laurelbrook Estates	CA0876L9D092410	5/1/2025 – 4/30/2026

PROCUREMENT
Not applicable

ITEM ATTACHMENTS
- Contract - MOU between HACSB and Valley Star Behavioral Health for In-Kind Service Match Related to the Cornerstone Program
- Contract - MOU between HACSB and Valley Star Behavioral Health for In-Kind Service Match Related to Laurelbrook Estates

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

MEMORANDUM OF UNDERSTANDING

between

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

and

VALLEY STAR BEHAVIORAL HEALTH

for

IN-KIND SERVICE MATCH RELATED TO THE CORNERSTONE PROGRAM

November 1, 2025- October 31, 2026

WHEREAS, Housing Authority of the County of San Bernardino, Continuum of Care grantee, hereinafter referred to as HACSB, provides rental assistance to chronically homeless families who are in need of case management and supportive services through Continuum of Care (CoC) grant CA1138L9D092409 and

WHEREAS, Valley Star Behavioral Health ("Valley Star"), provides case management and supportive services to chronically homeless clients and their families in need of permanent housing in San Bernardino County; and

WHEREAS, HACSB agrees to work with DBH in assisting eligible families to access housing, and in return Valley Star agrees to provide in-kind case management services to participants in the Cornerstone Program; and

WHEREAS, HACSB and Valley Star desire an agreement for the purpose of defining their respective roles in both providing housing assistance and supportive services to participants in the Cornerstone Program (Program) in order to achieve and maintain an enriched quality of life; and

NOW THEREFORE, Valley Star and HACSB mutually agree to the following terms and conditions:

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ATTACHMENT I- BUSINESS ASSOCIATE AGREEMENT

ATTACHMENT II- EXHIBIT A- "PROVIDER RATES"

I. PURPOSE

This Memorandum of Understanding (MOU) outlines the collaborative efforts between HACSB and Valley Star regarding the Cornerstone program Continuum of Care (CoC) grant CA1138L9D092409. This grant is to provide housing and supportive services to the most vulnerable, chronically homeless individuals and families. The value of the supportive services will be used to satisfy the match requirement of the U.S. Department of Housing and Urban Development's (HUD) CoC program.

The primary goal of this grant is to assist the chronically homeless individuals/family to successfully transition into and maintain permanent supportive housing.

Rental Assistance for 231 families is available. The Coordinated Entry System (CES) will identify and refer chronically homeless individuals and families as defined in Section II. HACSB will administer the rental assistance while Valley Star will provide case management and supportive services.

The rental assistance is funded by the HUD and HACSB is the grantee. As such it is HACSB's responsibility to determine if the household meets program eligibility.

II. DEFINITIONS

1. *Authorization for Release of Protected Health Information* - A Health Insurance Portability and Accountability Act compliant authorization signed by the client or client's legal representative, authorizing Valley Star to release the client's information to a designated recipient. This form must be completed thoroughly with specified records to be shared, a designated time frame and expiration date, as well as a signature by the Valley Star client or his/her legal representative. If the form is signed by a legal representative, proof from the court system designating legal representation must accompany the request.

2. *Chronically Homeless* - Refers to a homeless individual who has experienced homelessness for a year or longer, or who has experienced at least four episodes of homelessness in the last three years and has a disability.

3. *Clients/Participants* - Refers to persons enrolled into the Program. HACSB considers those enrolled in the Program as "participants" or "tenants" while Valley Star staff refers to them as "clients."

4. *Coordinated Entry System (CES)* - A County-wide, centralized and streamlined process of identifying those who are homeless and triaging the housing search and match for those who are chronically homeless.

5. *Valley Star* - Valley Star is responsible for providing specialty mental health services and/or substance use disorder services to County residents who are experiencing mental illness and/or substance use disorders. Valley Star provides treatment services and education for communities and residents of San Bernardino County through contracts with community-based organizations and clinics with the goal of promoting prevention, intervention, recovery, and resiliency for individuals and families.

6. *Family* - Used interchangeably with "applicant" or "participant" and indicates household constellations that consist of adults and/or adults with children.

7. *Health Insurance Portability and Accountability Act (HIPAA)* -A federal law designed to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health

insurance, and for other purposes.

8. *Moving on Program* - A program that assists tenants who are ready and wish to leave Permanent Supportive Housing (PSH) by connecting them with affordable housing, financial assistance, and transition support (services to help tenants prepare for, navigate, and adjust to their transition out of PSH).

9. *Personally Identifiable Information (PII)* - PII is information that can be used alone or in conjunction with other personal or identifying information, which is linked or linkable to a specific individual. This includes; name, social security number, date of birth, address, driver's license, photo identification, other identifying number (case number, client index number, and transactional database system number /medical record number, etc.).

10. *Protected Health Information (PHI)* - PHI is individually identifiable health information held or transmitted by a covered entity or its business associate, in any form or media, whether electronic, paper or oral. Individually identifiable information is information, including demographic data, that relates to the individual's past, present or future physical or mental health or condition; the provision of health care to the individual; or the past, present, or future payment for the provision of health care to the individual, and identifies the individual or for which there is reasonable basis to believe it can be used to identify the individual. PHI excludes individually identifiable health information in education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; in records described at 20 U.S.C. 1232g(a)(4)(B)(iv); in employment records held by a covered entity in its role as employer; and regarding a person who has been deceased for more than fifty (50) years.

11. *Program or Continuum of Care CoC Program* - Refers broadly to the provision of U.S. Department of Housing and Urban Development's CoC Program to provide housing and supportive services to the most vulnerable chronically homeless individuals and families.

12. *Permanent Supportive Housing (PSH)* - Refers to permanent housing programs in which participants receive subsidized affordable housing, referral to mainstream services, as well as clinical and social support to assist a client to maintain their residency, psychiatric stability, and to attain a level of independence.

13. *Tenant* - Used to refer to participants in terms of their relation to landlords.

14. *Landlord* - Refers to an individual, firm, corporation, partnership, or similar entity that holds title to the housing that receives funding through rental subsidies on behalf of this Program.

III. HACSB RESPONSIBILITIES

HACSB shall:

1. Accept referrals from CES and screen applicants to ensure individuals meet HUD determined guidelines governing the Program, including chronically homeless criteria.

2. HACSB follows Housing First principles with its CoC programs. If a deniable criminal offense is identified for an applicant, it will be documented and HACSB will request Valley Star staff assist applicant to address outstanding issues such as warrants, fines, etc.

3. Notify the applicant of acceptance into the Program and inform the applicant about attending an orientation meeting to provide instructions to applicants on policies and to outline applicants' rental responsibilities.

4. Conduct initial and periodic unit inspections to ensure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards or applicable HUD standard.

5. Determine if the contract rent for each approved unit meets rent reasonableness.

6. Approve payment of the difference between the rent approved by HACSB and Tenant rent amount.

7. Ensure that Landlords understand their rights and responsibilities under the Program and respond to complaints and appeals regarding housing services.

8. Administer the rental assistance in accordance with applicable Program regulations and requirements.

9. Provide training to Valley Star staff on HACSB's procedures and Program requirements.

10. Maintain valid consent to release information relevant to the program and its requirements signed by each applicant in the Program to ensure open communication between Valley Star and HACSB to support housing retention efforts.

11. Have staff complete all required Homeless Management Information System (HMIS) training courses and ensure that data entry into HMIS meets quality standards.

12. Submit the Annual Performance Report in Sage.

13. Document at least 25% in-kind match for the amount of funding received.

14. Conduct regular monthly meetings with Valley Star.

15. Comply with all provisions of this MOU and ATTACHMENT I - Business Associate Agreement.

IV. VALLEY STAR RESPONSIBILITIES

Valley Star shall:

1. Agree to provide the following services:

    a. Assessment of Service Needs

    b. Case Management

    c. Employment Assistance

    d. Housing/Counseling Services

    e. Life Skills

    f. Mental Health Services

    g. Outreach Services

    h. Substance Abuse Treatment Services

    i. Transportation

2. Commit to an in-kind service value match of $68,293.

3. Verify an applicant's mental health disability according to HUD regulations and comply with the relevant grant eligibility requirements of the HUD funded CoC program for PSH.

4. Work with Individual/Families with enrollment, attendance, and participation in treatment related activities, if there is drug-related criminal activity pertaining to possession or being under the influence.

5. Work with Individual/Families to address any outstanding criminal issues that might create future barriers to successfully sustain their housing over time and enhance opportunities for personal and economic growth where appropriate.

6. Provide adequate staff resources to provide case management to eligible Individual/Families.

7. Provide transitional support to clients identified as candidates for the Moving On Program, which includes educating clients on changes to the housing program, providing community resources, and assisting with resources and housing stabilization for clients who are relocated.

8. Provide aftercare services for clients who are transitioning to the Moving on Program for at least 24 months following the client's transition from the CoC program. Services may include but are not limited to a variety of supports around health care engagement, medication assistance, connection to social services, independent living skills coaching, housing stabilization, and assistance with housing program compliance.

9. Attend regular meetings with HACSB.

10. Comply with all requirements of the Cornerstone Program Continuum of Care (CoC) grant CA1138L9D092409.

11. Comply with the provisions of this MOU.

V. VALLEY STAR GENERAL RESPONSIBILITIES

Pursuant to HIPAA, Valley Star has implemented administrative, physical, and technical safeguard to protect the confidentiality, integrity, and availability of PHI transmitted or maintained in any form or medium.

VI. MUTUAL RESPONSIBILITIES

1. Valley Star and HACSB enter into this MOU to provide supportive services and rental assistance for qualified chronically homeless individuals and families.

2. Comply with the relevant grant eligibility requirements of the CoC Program.

3. Agree to ensure the coordination and collaboration between staff in each agency to the benefit of county residents experiencing homelessness and entering the county's system of care.

4. Ensure the appropriate data sharing and releases of information are in place.

5. Monitor and ensure compliance with service delivery, rental subsides, fiscal tracking, and program expenditures.

6. On a monthly basis, meet to ensure routine collaboration between agencies for the benefit of participants.

7. Adherence to all State and Federal privacy laws in the processing and inter-agency collaboration.

8. On a routine basis will exchange data regarding rental subsidies, client data, client outcome measures and any data required by State Department of Mental Health or discretionary reports requested by each agency.

9. Collaboration between HACSB and Valley Star staff will be maintained to ensure that all services are consistent with Federal and State Fair Housing guidelines, regulations from the State Department of Mental Health and/or each agency's standard policies and procedures.

10. Applications must be evaluated and meet the criteria established by each agency prior to admitting into the Program. Each agency will be responsible for completing an independent screening of applicants, based on the agency's guidelines and qualifications. Valley Star will evaluate applications to ensure compliance with mental health disability-related requirements while HACSB will evaluate applications to ensure clearance of eligibility standards of the related rental assistance grant.

11. Agree to collaborate on future Notice of Funding Availability (NOFA) for the Program and provide information requested in the NOFA to HACSB in a timely manner.

12. Privacy and Security

    a. Both parties shall adhere to any applicable privacy-related policies pertaining to PII. Valley Star has a specific responsibility to comply with all applicable State and Federal regulations pertaining to privacy and security of client PHI and strictly maintain the confidentiality of behavioral health records, and HACSB shall assist Valley Star in upholding said confidentiality by applying safeguards as discussed herein. Regulations have been promulgated governing the privacy and security of individually identifiable health information (IIHI) PHI or electronic Protected Health Information (ePHI).

    b. In addition to the aforementioned protection of IIHI, PHI and e-PHI, both parties shall adhere to the protection of PII and Medi-Cal PII. PII includes any information that can be used to search for or identify individuals such as but not limited to name, social security number or date of birth. Medi-Cal PII is the information that is directly obtained in the course of performing an administrative function on behalf of Medi-Cal, such as determining eligibility that can be used alone in conjunction with any other information to identify an individual.

    c. Reporting Improper Access, Use, or Disclosure of Unsecure PHI and PII

       Upon discovery of any unauthorized use, access or disclosure of PHI or any other security incident with regards to PHI or PII, HACSB agrees to report to Valley Star no later than one (1) business day upon the discovery of a potential breach. HACSB shall cooperate and provide information to Valley Star to assist with appropriate reporting requirements.

13. Both parties shall ensure any Valley Star client PHI that is stored on its premises will be locked and secure in adherence to IIHI and PHI privacy requirements.

VII. FISCAL PROVISIONS

This is a coordination of services agreement, there is no payment of costs or fiscal obligations between the agencies. HACSB and Valley Star are individually responsible for any costs incurred by their respective organizations due to commitments described in this MOU. Staffing will be maintained by each agency per the department budgets and the Exhibit A-Provider Rates attachment. Staffing is required to operate the services required under this Contract.

As part of the Cornerstone Program CoC grant CA1138L9D092409, HACSB is required to document at least 25% in-kind match for the amount of funding received. The value of the services provided by Valley Star will meet part of the required annual match. As required by HUD regulations, rates for services must be consistent with those ordinarily paid by other employers for similar work. This value is based on the County Interim Rates established by the State of California Department of Health Care Services for each Medi-Cal mode and service function that Valley Star is certified to provide based on the most recently filed cost report and trended forward using a cost of living index,. This best represents how services are delivered and can be quantified to an applicable cost that includes both the salaries and benefits for staff as well as the applicable operating services those staff would incur, which collectively represents the cost of service to support the in-kind match requirement.

VIII. RIGHT TO MONITOR AND AUDIT

HACSB and Valley Star shall cooperate in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements as established by HUD to administer the Program.

HACSB and Valley Star further agree to cooperate with HUD, maintain, and provide requested data to HUD and follow all evaluation protocols established by HUD.

IX. TERM

The MOU is effective as of November 1, 2025, and expires October 31, 2026.

X. DESIGNATED PROGRAM LIAISONS

The following individuals will serve as the lead liaison for the program.

HACSB's liaison is as follows:
Name and Title: Mayra Small, Housing Services Manager
Address: 672 S. Waterman Avenue,
San Bernardino, CA 92408
E-mail Address: msmall@hacsb.com
Telephone Number: 909-890-5306
Fax Number: 909-890-5306

Valley Star liaison is as follows:
Name and Title: Roberto Lopez, Sr. Administrator
Address: 12555 Mariposa Road, Suite J, Victorville, 92395
E-mail Address: roblopez@starrsinc.com
Telephone Number: 760-477-2199
Fax Number: 760-513-9690

XI. INDEMNIFICATION

1. HACSB agrees to indemnify, defend and hold harmless Valley Star, its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of HACSB, including the acts, errors or omissions of HACSB and for any costs or expenses incurred by Valley Star on account of any claim resulting from the acts or negligence of HACSB or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

2. Valley Star agrees to indemnify, defend and hold harmless HACSB and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of Valley Star, including the acts, errors or omissions of Valley Star and for any costs or expenses incurred by HACSB on account of any claim resulting from the acts or negligence of Valley Star or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

3. If the Parties are determined to be comparatively at fault for any claim, action, loss, or damage which results from their respective obligations under this Agreement, each Party shall indemnify the others to the extent of its comparative fault as determined in a legal action.

XII. GENERAL PROVISIONS

1. No waiver of any of the provisions of the MOU documents shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under any MOU document shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.

2. Any alterations, variations, modifications, or waivers of provisions of the MOU, unless specifically allowed in the MOU, shall be valid only when they have been reduced to writing, duly signed, and approved by the Authorized Representatives of both parties as an amendment to this MOU. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

3. This MOU shall be governed by and construed according to the laws of the State of California. The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, San Bernardino County, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this MOU is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, San Bernardino District.

4. Either party reserves the right to terminate the Contract, for cause or lack of funding, with a thirty (30) day written notice of termination to the other party.

5. HACSB and Valley Star are authorized self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability, Worker's Compensation and Property Damage and warrant that through their respective programs of self-insurance,

they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this MOU.

XIII. CONCLUSION

1. This MOU, consisting of ten (10) pages and Attachment I, is the full and complete document describing services to be rendered by Valley Star and HACSB including all covenants, conditions, and benefits.

2. The signatures of the Parties affixed to this MOU affirm that they are duly authorized to commit and bind their respective departments to the terms and conditions set forth in this document.

This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same MOU. The parties shall be entitled to sign and transmit an electronic signature of this MOU (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed MOU upon request.

VALLEY STAR

By ► Kent Dunlap

Name: Kent Dunlap

Title: President and CEO

Date: 1/13/2026

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

(Print or type name of corporation, company, contractor, etc.)

By ► Maria Razo
Maria Razo (Jan 23, 2026 08:55:38 PST)

(Authorized signature - sign in blue ink)

Name Maria Razo

(Print or type name of person signing contract)

Title Executive Director

(Print or Type)

Dated: Jan 23, 2026

Address 715 S. E. Brier Drive.,

San Bernardino, CA 92408

Attachment I - Business Associate Agreement

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (Agreement) supplements and is made a part of the contract (Contract) by and between Valley Star (hereinafter Covered Entity) and Housing Authority of the County of San Bernardino (hereinafter Business Associate). This Agreement is effective as of the effective date of the Contract.

RECITALS

WHEREAS, Covered Entity (CE) wishes to disclose certain information to Business Associate (BA) pursuant to the terms of the Contract, which may include Protected Health Information (PHI); and

WHEREAS, CE and BA intend to protect the privacy and provide for the security of the PHI disclosed to BA pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (HITECH Act), and other applicable laws; and

WHEREAS, The Privacy Rule and the Security Rule require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, sections 164.314, subdivision (a), 164.502, subdivision (e), and 164.504, subdivision (e) of the Code of Federal Regulations (C.F.R.) and contained in this Agreement; and

WHEREAS, Pursuant to HIPAA and the HITECH Act, BA shall fulfill the responsibilities of this Agreement by being in compliance with the applicable provisions of the HIPAA Standards for Privacy of PHI set forth at 45 C.F.R. sections 164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards), 164.316 (Policies and Procedures and Documentation Requirements), and, 164.400, et seq. and 42 United States Code (U.S.C.) section 17932 (Breach Notification Rule), in the same manner as they apply to a CE under HIPAA;

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this Agreement, the parties agree as follows:

A. Definitions

Unless otherwise specified herein, capitalized terms used in this Agreement shall have the same meanings as given in the Privacy Rule, the Security Rule, the Breach Notification Rule, and HITECH Act, as and when amended from time to time.

1. Breach shall have the same meaning given to such term under the HIPAA Regulations [45 C.F.R. §164.402] and the HITECH Act [42 U.S.C. §§17921 et seq.], and as further described in California Civil Code section 1798.82.
2. Business Associate (BA) shall have the same meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including but

not limited to 42 U.S.C. section 17921 and 45 C.F.R. section 160.103.

3. Covered Entity (CE) shall have the same meaning given to such term as under the Privacy Rule and Security Rule, including, but not limited to 45 C.F.R. section 160.103.

4. Designated Record Set shall have the same meaning given to such term under 45 C.F.R. section 164.501.

5. Electronic Protected Health Information (ePHI) means PHI that is maintained in or transmitted by electronic media as defined in the Security Rule, 45 C.F.R. section 164.103.

6. Individual shall have the same meaning given to such term under 45 C.F.R. section 160.103.

7. Privacy Rule means the regulations promulgated under HIPAA by the United States Department of Health and Human Services (HHS) to protect the privacy of Protected Health Information, including, but not limited to, 45 C.F.R. Parts 160 and 164, subparts A and E.

8. Protected Health Information (PHI) shall have the same meaning given to such term under 45 C.F.R. section 160.103, limited to the information received from, or created or received by Business Associate from or on behalf of, CE.

9. Security Rule means the regulations promulgated under HIPAA by HHS to protect the security of ePHI, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164, subparts A and C.

10. Unsecured PHI shall have the same meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act, including, but not limited to 42 U.S.C. section 17932, subdivision (h).

B. Obligations and Activities of BA

1. Permitted Uses and Disclosures

BA may disclose PHI: (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) for purposes of Treatment, Payment and Operations (TPO); (iv) as required by law; or (v) for Data Aggregation purposes for the Health Care Operations of CE. Prior to making any other disclosures, BA must obtain a written authorization from the Individual.

If BA discloses PHI to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this Agreement and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach. [42 U.S.C. section 17932; 45 C.F.R. sections 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)]

2. Prohibited Uses and Disclosures

i. BA shall not use, access or further disclose PHI other than as permitted or required by this Agreement and as specified in the attached Contract or as required by law. Further, BA shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act. BA shall disclose to its employees, agents, or other third parties, and request from CE, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder.

ii. BA shall not use or disclose PHI for fundraising or marketing purposes.

iii. BA shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction and has paid out of pocket in full for the health care item or service to which the PHI solely relates. (42 U.S.C. section 17935(a) and 45 C.F.R. section 164.522(a)(1)(i)(A).)

iv. BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted by the HITECH Act (42 U.S.C. section 17935(d)(2); and 45 C.F.R. section 164.508); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to this Agreement.

3. Appropriate Safeguards

a) BA shall implement appropriate safeguards to prevent the unauthorized use or disclosure of PHI, including, but not limited to, administrative, physical and technical safeguards that reasonably protect the confidentiality, integrity and availability of the PHI BA creates, receives, maintains, or transmits on behalf of the CE, in accordance with 45 C.F.R. sections 164.308, 164.310, 164.312 and 164.316. [45 C.F.R. sections 164.504(e)(2)(ii)(b) and 164.308(b).]

b) In accordance with 45 C.F.R. section 164.316, BA shall maintain reasonable and appropriate written policies and procedures for its privacy and security program in order to comply with the standards, implementation specifications, or any other requirements of the Privacy Rule and applicable provisions of the Security Rule.

c) BA shall provide appropriate training for its workforce on the requirements of the Privacy Rule and Security Rule as those regulations affect the proper handling, use confidentiality and disclosure of the CE's PHI.

d) Such training will include specific guidance relating to sanctions against workforce members who fail to comply with privacy and security policies and procedures and the obligations of the BA under this Agreement.

4. Reporting of Improper Access, Use or Disclosure or Breach

Every suspected and actual Breach shall be reported immediately, but no later than one (1) business day upon discovery, to CE's Office of Compliance, consistent with the regulations under HITECH Act. Upon discovery of a Breach or suspected Breach, BA shall complete the following actions:

i. Provide CE's Office of Compliance with the following information to include but not limited to:

a) Date the Breach or suspected Breach occurred.

b) Date the Breach or suspected Breach was discovered.

c) Number of staff, employees, agents or other third parties and the names and titles of each person allegedly involved.

d) Number of potentially affected individual(s) with contact information; and

e) Description of how the Breach or suspected Breach allegedly occurred.

ii. Conduct and document a risk assessment by investigating without unreasonable delay and in no case later than five (5) calendar days of discovery of the Breach or suspected Breach to determine the following:

a) The nature and extent of the PHI involved, including the types of identifiers and likelihood of re-identification;

b) The unauthorized person who had access to the PHI;

c) Whether the PHI was actually acquired or viewed; and

d) The extent to which the risk to PHI has been mitigated.

iii. Provide a completed risk assessment and investigation documentation to CE's Office of Compliance within ten (10) calendar days of discovery of the Breach or suspected Breach with a determination as to whether a Breach has occurred. At the discretion of CE, additional information may be requested.

a) If BA and CE agree that a Breach has not occurred, notification to individual(s) is not required.

b) If a Breach has occurred, notification to the individual(s) is required and BA must provide CE with affected individual(s) name and contact information so that CE can provide notification.

iv. Make available to CE and governing State and Federal agencies in a time and manner designated by CE or governing State and Federal agencies, any policies, procedures, internal practices and records relating to a Breach or suspected Breach for the purposes of audit or should the CE reserve the right to conduct its own investigation and analysis.

5. Access to PHI

To the extent BA maintains a Designated Record Set on behalf of CE, BA shall make PHI maintained by BA or its agents in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule. If BA maintains ePHI, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act. If BA receives a request from an Individual for access to PHI, BA shall immediately forward such request to CE.

6. Amendment of PHI

If BA maintains a Designated Record Set on behalf of the CE, BA shall make any amendment(s) to PHI in a Designated Record Set that the CE directs or agrees to, pursuant to 45 C.F.R. section 164.526, or take other measures as necessary to satisfy CE's obligations under 45 C.F.R. section 164.526, in the time and manner designated by the CE.

7. Access to Records

BA shall make internal practices, books, and records, including policies and procedures, relating to the use, access and disclosure of PHI received from, or created or received by BA on behalf of, CE available to the Secretary of HHS, in a time and manner designated by the Secretary, for purposes of the Secretary determining CE's compliance with the Privacy Rule and Security Rule and patient confidentiality regulations. Any documentation provided to the Secretary shall also be provided to the CE upon request.

8. Accounting for Disclosures

BA and its agents, shall document disclosures of PHI and information related to such disclosures as required by HIPAA. This requirement does not apply to disclosures made for the purposes of TPO. BA shall provide an accounting of disclosures to CE or an Individual, in the time and manner designated by the CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents for at least six (6) years prior to the request. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

9. Termination

CE may immediately terminate this agreement, and any related agreements, if CE determines that BA has breached a material term of this agreement. CE may, at its sole discretion, provide BA an opportunity to cure the breach or end the violation within the time specified by the CE.

10. Return of PHI

Upon termination of this Agreement, BA shall return all PHI required to be retained by the BA employees or agents on behalf of the CE. In the event the BA determines that returning the PHI is not feasible, the BA shall provide the CE with written notification of the conditions that make return not feasible. Additionally, the BA must follow established policies and procedures to ensure PHI is safeguarded and disposed of adequately in accordance with 45 C.F.R. section 164.310, and must submit to the CE a certification of destruction of PHI. For destruction of ePHI, the National Institute of Standards and Technology (NIST) guidelines must be followed. BA further agrees to extend any and all protections, limitations, and restrictions contained in this Agreement, to any PHI retained by BA employees or agents after the termination of this Agreement, and to limit any further use, access or disclosures.

11. Breach by the CE

Pursuant to 42 U.S.C. section 17934, subdivision (b), if the BA is aware of any activity or practice by the CE that constitutes a material Breach or violation of the CE's obligations under this Agreement, the BA must take reasonable steps to address the Breach and/or end eliminate the continued violation, if the BA has the capability of mitigating said violation. If the BA is unsuccessful in eliminating the violation and the CE continues with non-compliant activity, the BA must terminate the Agreement (if feasible) and report the violation to the Secretary of HHS.

12. Mitigation

BA shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to BA of a use, access or disclosure of PHI by BA, its agents in violation of the requirements of this Agreement.

13. Costs Associated to Breach

BA shall be responsible for reasonable costs associated with a breach. Costs shall be based upon the required notification type as deemed appropriate and necessary by the CE and shall not be reimbursable under the Agreement at any time. CE shall determine the method to invoice the BA for said costs. Costs shall

incur at the current rates and may include, but are not limited to the following:

- Postage.
- Alternative means of notice.
- Media notification; and
- Credit monitoring services.

14. Direct Liability

BA may be held directly liable under HIPAA for impermissible uses and disclosures of PHI; failure to provide breach notification to CE; failure to provide access to a copy of ePHI to CE or individual; failure to disclose PHI to the Secretary of HHS when investigating BA's compliance with HIPAA; failure to provide an accounting of disclosures.

15. Indemnification

BA agrees to indemnify, defend and hold harmless CE and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, penalties, injuries, costs and expenses (including costs for reasonable attorney fees) that are caused by or result from the acts or omissions of BA, its officers, employees and agents, with respect to the use, access, maintenance or disclosure of CE's PHI, including without limitation, any Breach of PHI or any expenses incurred by CE in providing required Breach notifications.

16. Judicial or Administrative Proceedings

CE may terminate the Contract, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws or (ii) a finding or stipulation is made in any administrative or civil proceeding in which the BA has been joined that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws.

17. Insurance

In addition to any general and/or professional liability insurance coverage required of BA under the Contract for services, BA shall provide appropriate liability insurance coverage during the term of this Agreement to cover any and all claims, causes of action, and demands whatsoever made for loss, damage, or injury to any person arising from the breach of the security, privacy, or confidentiality obligations of BA, its agents or employees, under this Agreement and under HIPAA 45 C.F.R. Parts 160 and 164, Subparts A and E.

18. Assistance in Litigation or Administrative Proceedings

BA shall make itself, and any employees, or agents assisting BA in the performance of its obligations under the Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers, or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where BA employee or agent is a named adverse party.

C. Obligations of CE

1. CE shall notify BA of any of the following, to the extent that such may affect BA's use, access, maintenance or disclosure of PHI:

   i. Any limitation(s) in CE's notice of privacy practices in accordance with 45 C.F.R. section 164.520.

ii. Any changes in, or revocation of, permission by an individual to use, access or disclose PHI.

iii. Any restriction to the use, access or disclosure of PHI that CE has agreed to in accordance with 45 C.F.R. section 164.522.

D. General Provisions

1. Remedies

BA agrees that CE shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which CE may have at law or in equity in the event of unauthorized use, access or disclosure of PHI by BA or any agent of BA that received PHI from BA.

2. Ownership

The PHI shall be and remain the property of the CE. BA agrees that it acquires no title or rights to the PHI.

3. Regulatory References

A reference in this Agreement to a section in the Privacy Rule and Security Rule and patient confidentiality regulations means the section as in effect or as amended.

4. No Third-Party Beneficiaries

Nothing express or implied in the Contract or this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

5. Amendment

The parties acknowledge that state and federal laws related to privacy and security of PHI are rapidly evolving and that amendment of the Contract or this Agreement may be required to ensure compliance with such developments. The parties shall negotiate in good faith to amend this Agreement when and as necessary to comply with applicable laws. If either party does not agree to so amend this Agreement within 30 days after receiving a request for amendment from the other, either party may terminate the Agreement upon written notice. To the extent an amendment to this Agreement is required by law and this Agreement has not been so amended to comply with the applicable law in a timely manner, the amendment required by law shall be deemed to be incorporated into this Agreement automatically and without further action required by either of the parties. Subject to the foregoing, this Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed and agreed to by BA and CE.

6. Interpretation

Any ambiguity in this Agreement shall be resolved to permit CE to comply with the Privacy and Security Rules, the HITECH Act, and all applicable patient confidentiality regulations.

7. Compliance with State Law

In addition to HIPAA and all applicable HIPAA Regulations, BA acknowledges that BA and CE may have confidentiality and privacy obligations under State law, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq. ("CMIA")). If any provisions of this Agreement or HIPAA Regulations or the HITECH Act conflict with CMIA or any other California State law regarding the degree of protection provided for PHI and patient medical records, then BA shall comply with the more restrictive requirements.

8. Survival

The respective rights and obligations and rights of CE and BA relating to protecting the confidentiality or a patient's PHI shall survive the termination of the Contract or this Agreement.

Exhibit A - Provider Rates

Cost per Unit (1 minute = Unit) Per Hour (60 min)	**Profession**	**Per minute**	**Per Hour**
Case Management Services	Service Coordinator I	$1.87	$112.20
Mental Health/Therapy Services	Service Coordinator II	$2.41	$144.60
Medication Support/ Nursing Services	Lead Nurse or Nurse Service Coordinator	$4.45	$ 267.00
Crisis related Services	Servicer Coordinator II Licensed Management	$3.58	$214.80
Crisis Intervention	Peer Support Staff, Mental Health Specialist I, & II, Drug & Alcohol Counselor	$4.32	259.2
Case Management /Referral	Peer Support Staff, Mental Health Specialist I, & II, Drug & Alcohol Counselor	$2.31	$138.60
Mental Health Services	Mental Health Specialist I & II	$2.80	$168.00
Medication Support/ Nursing Services	Psych Nurse Practitioner	$5.29	$317.40

MOU-VALLEY STAR-Cornerstone

Final Audit Report 2026-01-23

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MEMORANDUM OF UNDERSTANDING

between

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

and

VALLEY STAR BEHAVIORAL HEALTH

for

IN-KIND SERVICE MATCH RELATED TO LAURELBROOK ESTATES

May 1, 2025 - April 30, 2026

WHEREAS, Housing Authority of the County of San Bernardino, Continuum of Care grantee, hereinafter referred to as HACSB, provides rental assistance to chronically homeless families who are in need of case management and supportive services through Continuum of Care (CoC) grant CA0876L9D092410 and

WHEREAS, Valley Star Behavioral Health ("Valley Star") provides case management and supportive services to chronically homeless clients and their families in need of permanent housing in San Bernardino County; and

WHEREAS, HACSB agrees to work with Valley Star in assisting eligible families to access housing, and in return Valley Star agrees to provide in-kind case management services to participants in Laurelbrook Estates (Coc) and

WHEREAS, HACSB and Valley Star desire an agreement for the purpose of defining their respective roles in both providing housing assistance and supportive services to participants in the Laurelbrook Estates (CoC) in order to achieve and maintain an enriched quality of life; and

NOW THEREFORE, Valley Star and HACSB mutually agree to the following terms and conditions:

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ATTACHMENT I-BUSINESS ASSOCIATE AGREEMENT

ATTACHMENT II- EXHIBIT A- "PROVIDER RATES"

I. PURPOSE

This Memorandum of Understanding ("MOU") outlines the collaborative efforts between HACSB and Valley Star regarding the Laurelbrook Estates Continuum of Care (CoC) grant CA0876L9D092410. This grant is to provide housing and supportive services to the most vulnerable chronically homeless individuals and families. The value of the supportive services will be used to satisfy the match requirement of the U.S. Department of Housing and Urban Development's CoC Program.

The primary goal of this grant is to assist the chronically homeless individual/family to successfully transition into and maintain permanent housing.

Rental Assistance for 27 families is available. The Coordinated Entry System (CES) will identify and refer chronically homeless individuals and families as defined in Section II. HACSB will administer the rental assistance while Valley Star will provide case management and supportive services.

The rental assistance is funded by the Department of Housing and Urban Development (HUD) and HACSB is the grantee. As such it is HACSB's responsibility to determine if the household meets Program eligibility.

II. DEFINITIONS

1. *Authorization for Release of Protected Health Information* - A Health Insurance Portability and Accountability Act compliant authorization signed by the client or client's legal representative, authorizing Valley Star to release the client's information to a designated recipient. This form must be completed thoroughly with specified records to be shared, a designated time frame and expiration date, as well as a signature by the Valley Star client or his/her legal representative. If the form is signed by a legal representative, proof from the court system designating legal representation must accompany the request.

2. *Chronically Homeless* - Refers to a homeless individual who has experienced homelessness for a year or longer, or who has experienced at least four episodes of homelessness in the last three years and has a disability.

3. *Clients / Participants* - Refers to persons enrolled into the Program. The Housing Authority considers those enrolled in the Program as "participants" or "tenants" while Valley Star staff refers to them as "clients."

4. *Coordinated Entry System (CES)* - A County-wide, centralized and streamlined process of identifying those who are homeless and triaging the housing search and match for those who are chronically homeless.

5. Valley Star - Valley Star is responsible for providing specialty mental health services and/or substance use disorder services to County residents who are experiencing mental illness and/or substance use disorders. Valley Star provides treatment services and education for communities and residents of San Bernardino County through contracts with community-based organizations and clinics with the goal of promoting prevention, intervention, recovery, and resiliency for individuals and families.

6. *Family* - Used interchangeably with "applicant" or "participant" and indicates household constellations that consist of adults and/or adults with children.

7. *Health Insurance Portability and Accountability Act (HIPAA)* -A federal law designed to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and for other purposes.

8. *Moving On Program* – A program that assists tenants who are ready and wish to leave Permanent Supportive Housing (PSH) by connecting them with affordable housing, financial assistance, and transition supports (services to help tenants prepare for, navigate, and adjust to their transition out of PSH).

9. *Personally Identifiable Information (PII)* - PII is information that can be used alone or in conjunction with other personal or identifying information, which is linked or linkable to a specific individual. This includes: name, social security number, date of birth, address, driver's license, photo identification, other identifying number (case number, client index number, and transactional database system number /medical record number, etc.).

10. *Protected Health Information (PHI)* - PHI is individually identifiable health information held or transmitted by a covered entity or its business associate, in any form or media, whether electronic, paper or oral. Individually identifiable information is information, including demographic data, that relates to the individual's past, present or future physical or mental health or condition; the provision of health care to the individual; or the past, present, or future payment for the provision of health care to the individual, and identifies the individual or for which there is reasonable basis to believe it can be used to identify the individual. PHI excludes individually identifiable health information in education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; in records described at 20 U.S.C. 1232g(a)(4)(B)(iv); in employment records held by a covered entity in its role as employer; and regarding a person who has been deceased for more than fifty (50) years.

11. *Program or Continuum of Care Program* - Refers broadly to the provision of U.S. Department of Housing and Urban Development's CoC Program to provide housing and supportive services to the most vulnerable chronically homeless individuals and families.

12. *Supportive Housing* - Refers to permanent housing programs in which participants receive subsidized affordable housing, referral to mainstream services, as well as clinical and social support to assist a client to maintain their residency, psychiatric stability, and to attain a level of independence.

13. *Tenant* - Used to refer to participants in terms of their relation to landlords.

14. *Landlord*- Refers to an individual, firm, corporation, partnership, or similar entity that holds title to the housing that receives funding through rental subsidies on behalf of this Program.

III. HACSB RESPONSIBILITIES

HACSB shall:

1. Accept referrals from CES and screen applicants to ensure individuals meet HUD determined guidelines governing the Program, including chronically homeless criteria.

2. HACSB follows Housing First principles with its CoC programs. If a deniable criminal offense is identified for an applicant, it will be documented and HACSB will request Valley Star staff assist applicant to address outstanding issues such as warrants, fines, etc.

3. Notify the applicant of acceptance into the Program and informing the applicant about attending an orientation meeting to provide instructions to applicants on policies and to outline applicant's rental responsibilities.

4. Conduct initial and periodic unit inspections to assure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards or applicable HUD standard.

5. Determine if the contract rent for each approved unit meets rent reasonableness.

6. Approve payment of the difference between the rent approved by HACSB and Tenant rent amount.

7. Ensure that Landlords understand their rights and responsibilities under the Program and respond to complaints and appeals regarding housing services.

8. Administer the rental assistance in accordance with applicable Program regulations and requirements.

9. Provide training to Valley Star staff on HACSB's procedures and Program requirements.

10. Maintain a consent to release of information relevant to the Program and its requirements signed by each applicant in the Program to ensure open communication between Valley Star and HACSB to support housing retention efforts.

11. Have staff complete all required Homeless Management Information System (HMIS) trainings and ensure that data entry into HMIS meets quality standards.

12. Submit the Annual Performance Report in Sage.

13. Document at least 25% in-kind match for the amount of funding received.

14. Conduct regular monthly meetings with Valley Star .

15. Comply with all provisions of this MOU and ATTACHMENT I - Business Associate Agreement.

IV. DBH RESPONSIBILITIES

DBH shall:

1. Agrees to provide the following services:

   a. Assessment of Service Needs

   b. Case Management

   c. Employment Assistance

d. Housing/Counseling Services

e. Life Skills

f. Mental Health Services

g. Outreach Services

h. Substance Abuse Treatment Services

i. Transportation

2. Commit to an in-kind service value match of $3,338.

3. Verify an applicant's mental health disability according to HUD regulations and comply with the relevant grant eligibility requirements of the HUD funded Continuum of Care program for permanent supportive housing.

4. If there is drug-related criminal activity pertaining to possession or being under the influence, DBH will work with client-family member with enrollment, attendance, and participation in treatment related activities.

5. Work with client-family to address any outstanding criminal issues that might create future barriers to successfully sustain their housing over time and enhance opportunities for personal and economic growth where appropriate.

6. Provide adequate staff resources to provide case management to eligible families.

7. Provide transitional support to clients identified as candidates for the Moving On Program, which includes educating clients on changes to the housing program, providing community resources, and assisting with resources and housing stabilization for clients who are relocated.

8. Provide aftercare services for clients who are transitioning to the Moving On Program for at least 24 months following the client's transition from the CoC program. Services may include but are not limited to a variety of supports around health care engagement, medication assistance, connection to social services, independent living skills coaching, housing stabilization, and assistance with housing program compliance.

9. Attend regular meetings with HACSB.

10. Comply with all requirements of the Laurelbrook Estates Continuum of Care (CoC) grant CA0876L9D092410.

11. Comply with the provisions of this MOU.

V. VALLEY STAR GENERAL RESPONSIBILITIES

Pursuant to HIPAA, Valley Star has implemented administrative, physical, and technical safeguards to protect the confidentiality, integrity, and availability of PHI transmitted or maintained in any form or medium.

VI. MUTUAL RESPONSIBILITIES

1. DBH and HACSB enter into this MOU to provide supportive services and rental assistance for qualified chronically homeless individuals and families.

2. Comply with the relevant grant eligibility requirements of the Continuum of Care Program.

3. Agree to ensure the coordination and collaboration between staff in each agency to the benefit of county residents experiencing homelessness and entering the county's system of care.

4. Ensure the appropriate data sharing and releases of information are in place.

5. Monitor and ensure compliance with service delivery, rental subsides, fiscal tracking, and program expenditures.

6. On a monthly basis, meet to ensure routine collaboration between agencies for the benefit of participants.

7. Adherence to all State and Federal privacy laws in the processing and inter-agency collaboration.

8. On a routine basis will exchange data regarding rental subsidies, client data, client outcome measures and any data required by State Department of Mental Health or discretionary reports requested by each agency.

9. Collaboration between HACSB and Valley Star staff will be maintained to ensure that all services are consistent with Federal and State Fair Housing guidelines, regulations from the State Department of Mental Health and/or each agencies' standard policies and procedures.

10. Applications must be evaluated and meet the criteria established by each agency prior to admittance into the Program. Each agency will be responsible to complete an independent screening of applicants, based on the agency's guidelines and qualifications. Valley Star will evaluate applications to ensure compliance with mental health disability-related requirements while HACSB will evaluate applications to ensure clearance of eligibility standards of the related rental assistance grant.

11. Agree to collaborate on future Notice of Funding Availability (NOFA) for the Program and provide information requested in the NOFA to HACSB in a timely manner.

12. Privacy and Security

    a. Both parties shall adhere to any applicable privacy-related policies pertaining to PII. Valley Star has a specific responsibility to comply with all applicable State and Federal regulations pertaining to privacy and security of client PII and strictly maintain the confidentiality of behavioral health records, and HACSB shall assist Valley Star in upholding said confidentiality by applying safeguards as discussed herein. Regulations have been promulgated governing the privacy and security of individually identifiable health information (IIHI) PHI or electronic Protected Health Information (ePHI).

b. In addition to the aforementioned protection of IIHI, PHI and e-PHI, both parties shall adhere to the protection of PII and Medi-Cal PII. PII includes any information that can be used to search for or identify individuals such as but not limited to name, social security number or date of birth. Medi-Cal PII is the information that is directly obtained in the course of performing an administrative function on behalf of Medi-Cal, such as determining eligibility that can be used alone in conjunction with any other information to identify an individual.

c. Reporting Improper Access, Use, or Disclosure of Unsecure PHI and PII

Upon discovery of any unauthorized use, access or disclosure of PHI or any other security incident with regards to PHI or PII, HACSB agrees to report to Valley Star no later than one (1) business day upon the discovery of a potential breach. HACSB shall cooperate and provide information to Valley Star to assist with appropriate reporting requirements.

13. Both parties shall ensure any Valley Star client PHI that is stored on its premises will be locked and secure in adherence to IIHI and PHI privacy requirements.

VII. FISCAL PROVISIONS

This is a coordination of services agreement, there is no payment of costs or fiscal obligations between the agencies. HACSB and Valley Star are individually responsible for any costs incurred by their respective organizations due to commitments described in this MOU. Staffing will be maintained by each agency per the department budgets and the Exhibit A-Provider Rates attachment. Staffing is required to operate the services required under this Contract.

As part of the Laurelbrook Estates CoC grant CA0876L9D092410, HACSB is required to document at least 25% in-kind match for the amount of funding received. The value of the services provided by Valley Star will meet part of the required annual match. As required by HUD regulations, rates for services must be consistent with those ordinarily paid by other employers for similar work. This value is based on the County Interim Rates established by the State of California Department of Health Care Services for each Medi-Cal mode and service function that Valley Star is certified to provide based on the most recently filed cost report and trended forward using a cost of living index. This best represents how services are delivered and can be quantified to an applicable cost that includes both the salaries and benefits for staff as well as the applicable operating services those staff would incur, which collectively represents the cost of service to support the in-kind match requirement.

VIII. RIGHT TO MONITOR AND AUDIT

HACSB and Valley Star shall cooperate in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements as established by HUD to administer the Program.

HACSB and Valley Star further agree to cooperate with HUD, maintain, and provide requested data to HUD and follow all evaluation protocols established by HUD.

IX. TERM

The MOU is effective as of May 1, 2025, and expires April 30, 2026.

X. DESIGNATED PROGRAM LIAISONS

The following individuals will serve as the lead liaison for the program.

HACSB's liaison is as follows:
Name and Title: Mayra Small, Housing Services Manager
Address: 672 S. Waterman Avenue
San Bernardino, CA 92408
E-mail Address: msmall@hacsb.com
Telephone Number: 909-890-5306
Fax Number: 909-890-5306

Valley Star liaison is as follows:
Name and Title: Roberto Lopez, Sr. Administrator
Address: 12555 Mariposa Road, Suite J, Victorville, 92395
E-mail Address: roblopez@starsinc.com
Telephone Number: 760-477-2199
Fax Number: 760-513-9690

XI. INDEMNIFICATION

1. HACSB agrees to indemnify, defend and hold harmless Valley Star , its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of HACSB, including the acts, errors or omissions of HACSB and for any costs or expenses incurred by Valley Star on account of any claim resulting from the acts or negligence of HACSB or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

2. Valley Star agrees to indemnify, defend and hold harmless HACSB and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of Valley Star , including the acts, errors or omissions of Valley Star and for any costs or expenses incurred by HACSB on account of any claim resulting from the acts or negligence of Valley Star or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

3. If the Parties are determined to be comparatively at fault for any claim, action, loss, or damage which results from their respective obligations under this Agreement, each Party shall indemnify the others to the extent of its comparative fault as determined in a legal action.

XII. GENERAL PROVISIONS

1. No waiver of any of the provisions of the MOU documents shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under any MOU document shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.

2. Any alterations, variations, modifications, or waivers of provisions of the MOU, unless specifically allowed in the MOU, shall be valid only when they have been reduced to writing, duly signed, and approved by the Authorized Representatives of both parties as an amendment to this MOU. No oral understanding or agreement not incorporated

herein shall be binding on any of the Parties hereto.

3. This MOU shall be governed by and construed according to the laws of the State of California. The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, San Bernardino County, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this MOU is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, San Bernardino District.

4. Either party reserves the right to terminate the Contract, for cause or lack of funding, with a thirty (30) day written notice of termination to the other party.

5. HACSB and Valley Star are authorized self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability, Worker's Compensation and Property Damage and warrant the through their respective programs of self-insurance, they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions, or obligations of this MOU.

XIII. CONCLUSION

1. This MOU, consisting of eleven (11) pages is the full and complete document describing services to be rendered by Valley Star and HACSB including all covenants, conditions, and benefits.
2. The signatures of the Parties affixed to this MOU affirm that they are duly authorized to commit and bind their respective departments to the terms and conditions set forth in this document.

This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same MOU. The parties shall be entitled to sign and transmit an electronic signature of this MOU (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed MOU upon request.

VALLEY STAR

By ▶ Kent Dunlap

Kent Dunlap

Name:

Title: President and CEO

Date: 1/13/2026

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

(Print or type name of corporation, company, contractor, etc.)

By ▶ Maria Razo

Maria Razo (Jan 23, 2026 08:56:03 PST)

(Authorized signature - sign in blue ink)

Name Maria Razo

(Print or type name of person signing contract)

Title Executive Director

(Print or Type)

Dated: Jan 23, 2026

Address 715 E. Brier Drive.,
San Bernardino, CA 92408

Attachment I – Business Associate Agreement

This Business Associate Agreement (Agreement) supplements and is made a part of the contract (Contract) by and between Valley Star (hereinafter Covered Entity) and Housing Authority of the County of San Bernardino (hereinafter Business Associate). This Agreement is effective as of the effective date of the Contract.

RECITALS

WHEREAS, Covered Entity (CE) wishes to disclose certain information to Business Associate (BA) pursuant to the terms of the Contract, which may include Protected Health Information (PHI); and

WHEREAS, CE and BA intend to protect the privacy and provide for the security of the PHI disclosed to BA pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (HITECH Act), their implementing regulations, and other applicable laws; and

WHEREAS, The Privacy Rule and the Security Rule require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, sections 164.314, subdivision (a), 164.502, subdivision (e), and 164.504, subdivision (e) of the Code of Federal Regulations (C.F.R.) and contained in this Agreement; and

WHEREAS, Pursuant to HIPAA and the HITECH Act, BA shall fulfill the responsibilities of this Agreement by being in compliance with the applicable provisions of the HIPAA Standards for Privacy of PHI set forth at 45 C.F.R. sections 164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards), 164.316 (Policies and Procedures and Documentation Requirements), and, 164.400, et seq. and 42 United States Code (U.S.C.) section 17932 (Breach Notification Rule), in the same manner as they apply to a CE under HIPAA;

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this Agreement, the parties agree as follows:

A. Definitions

Unless otherwise specified herein, capitalized terms used in this Agreement shall have the same meanings as given in the Privacy Rule, the Security Rule, the Breach Notification Rule, and HITECH Act, as and when amended from time to time.

1. Breach shall have the same meaning given to such term under the HIPAA Regulations [45 C.F.R. §164.402] and the HITECH Act [42 U.S.C. §§17921 et seq.], and as further described in California Civil Code section 1798.82.
2. Business Associate (BA) shall have the same meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including but not limited to 42 U.S.C. section 17921 and 45 C.F.R. section 160.103.
3. Covered Entity (CE) shall have the same meaning given to such term as under the Privacy Rule and Security Rule, including, but not limited to 45 C.F.R. section 160.103.
4. Designated Record Set shall have the same meaning given to such term under 45 C.F.R. section 164.501.
5. Electronic Protected Health Information (ePHI) means PHI that is maintained in or transmitted by electronic media as defined in the Security Rule, 45 C.F.R. section 164.103.
6. Individual shall have the same meaning given to such term under 45 C.F.R. section

160.103.

7. Privacy Rule means the regulations promulgated under HIPAA by the United States Department of Health and Human Services (HHS) to protect the privacy of Protected Health Information, including, but not limited to, 45 C.F.R. Parts 160 and 164, subparts A and E.

8. Protected Health Information (PHI) shall have the same meaning given to such term under 45 C.F.R. section 160.103, limited to the information received from, or created or received by Business Associate from or on behalf of, CE.

9. Security Rule means the regulations promulgated under HIPAA by HHS to protect the security of ePHI, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164, subparts A and C.

10. Unsecured PHI shall have the same meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act, including, but not limited to 42 U.S.C. section 17932, subdivision (h).

B. Obligations and Activities of BA

1. Permitted Uses and Disclosures

BA may disclose PHI: (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) for purposes of Treatment, Payment and Operations (TPO); (iv) as required by law; or (v) for Data Aggregation purposes for the Health Care Operations of CE. Prior to making any other disclosures, BA must obtain a written authorization from the Individual.

If BA discloses PHI to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this Agreement and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach. [42 U.S.C. section 17932; 45 C.F.R. sections 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)]

2. Prohibited Uses and Disclosures

i. BA shall not use, access or further disclose PHI other than as permitted or required by this Agreement and as specified in the attached Contract or as required by law. Further, BA shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act. BA shall disclose to its employees, agents, or other third parties, and request from CE, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder.

ii. BA shall not use or disclose PHI for fundraising or marketing purposes.

iii. BA shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates. (42 U.S.C. section 17935(a) and 45 C.F.R. section 164.522(a)(1)(i)(A).)

iv. BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted by the HITECH Act (42 U.S.C. section 17935(d)(2); and 45 C.F.R. section 164.508); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to this Agreement.

3. Appropriate Safeguards

i. BA shall implement appropriate safeguards to prevent the unauthorized use or disclosure of PHI, including, but not limited to administrative, physical, and technical safeguards that reasonably protect the confidentiality, integrity and availability of the PHI BA creates, receives, maintains, or transmits on behalf of

the CE, in accordance with 45 C.F.R. sections 164.308, 164.310, 164.312 and 164.316. [45 C.F.R. sections 164.504(e)(2)(ii)(b) and 164.308(b).]

ii. In accordance with 45 C.F.R. section 164.316, BA shall maintain reasonable and appropriate written policies and procedures for its privacy and security program in order to comply with the standards, implementation specifications, or any other requirements of the Privacy Rule and applicable provisions of the Security Rule.

iii. BA shall provide appropriate training for its workforce on the requirements of the Privacy Rule and Security Rule as those regulations affect the proper handling, use confidentiality and disclosure of the CE's PHI.

Such training will include specific guidance relating to sanctions against workforce members who fail to comply with privacy and security policies and procedures and the obligations of the BA under this Agreement.

4. Reporting of Improper Access, Use or Disclosure or Breach

Every suspected and actual Breach shall be reported immediately, but no later than one (1) business day upon discovery, to CE's Office of Compliance, consistent with the regulations under HITECH Act. Upon discovery of a Breach or suspected Breach, BA shall complete the following actions:

i. Provide CE's Office of Compliance with the following information to include but not limited to:

a) Date the Breach or suspected Breach occurred;

b) Date the Breach or suspected Breach was discovered;

c) Number of staff, employees, agents or other third parties and the names and titles of each person allegedly involved;

d) Number of potentially affected Individual(s) with contact information; and

e) Description of how the Breach or suspected Breach allegedly occurred.

ii. Conduct and document a risk assessment by investigating without unreasonable delay and in no case later than five (5) calendar days of discovery of the Breach or suspected Breach to determine the following:

a) The nature and extent of the PHI involved, including the types of identifiers and likelihood of re-identification;

b) The unauthorized person who had access to the PHI;

c) Whether the PHI was actually acquired or viewed; and

d) The extent to which the risk to PHI has been mitigated.

iii. Provide a completed risk assessment and investigation documentation to CE's Office of Compliance within ten (10) calendar days of discovery of the Breach or suspected Breach with a determination as to whether a Breach has occurred. At the discretion of CE, additional information may be requested.

a) If BA and CE agree that a Breach has not occurred, notification to Individual(s) is not required.

b) If a Breach has occurred, notification to the Individual(s) is required and BA must provide CE with affected Individual(s) name and contact information so that CE can provide notification.

iv. Make available to CE and governing State and Federal agencies in a time and manner designated by CE or governing State and Federal agencies, any policies, procedures, internal practices and records relating to a Breach or suspected Breach for the purposes of audit or should the CE reserve the right to conduct its own investigation and analysis.

5. Access to PHI

To the extent BA maintains a Designated Record Set on behalf of CE, BA shall make PHI maintained by BA or its agents in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule. If BA maintains ePHI, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act. If BA receives a request from an Individual for access to PHI, BA shall immediately forward such request to CE.

6. Amendment of PHI

If BA maintains a Designated Record Set on behalf of the CE, BA shall make any amendment(s) to PHI in a Designated Record Set that the CE directs or agrees to, pursuant to 45 C.F.R. section 164.526, or take other measures as necessary to satisfy CE's obligations under 45 C.F.R. section 164.526, in the time and manner designated by the CE.

7. Access to Records

BA shall make internal practices, books, and records, including policies and procedures, relating to the use, access and disclosure of PHI received from, or created or received by BA on behalf of, CE available to the Secretary of HHS, in a time and manner designated by the Secretary, for purposes of the Secretary determining CE's compliance with the Privacy Rule and Security Rule and patient confidentiality regulations. Any documentation provided to the Secretary shall also be provided to the CE upon request.

8. Accounting for Disclosures

BA and its agents shall document disclosures of PHI and information related to such disclosures as required by HIPAA. This requirement does not apply to disclosures made for purposes of TPO. BA shall provide an accounting of disclosures to CE or an Individual, in the time and manner designated by the CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents for at least six (6) years prior to the request. At a minimum, the
Information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

9. Termination

CE may immediately terminate this agreement, and any related agreements, if CE determines that BA has breached a material term of this agreement. CE may, at its sole discretion, provide BA an opportunity to cure the breach or end the violation within the time specified by the CE.

10. Return of PHI

Upon termination of this Agreement, BA shall return all PHI required to be retained by the BA employees or agents on behalf of the CE. In the event the BA determines that returning the PHI is not feasible, the BA shall provide the CE with written notification of the conditions that make return not feasible. Additionally, the BA must follow established policies and procedures to ensure PHI is safeguarded and disposed of adequately in accordance with 45 C.F.R. section 164.310, and must submit to the CE a certification of destruction of PHI. For destruction of ePHI, the National Institute of Standards and Technology (NIST) guidelines must be followed. BA further agrees to extend any and all protections, limitations, and restrictions contained in this Agreement, to any PHI retained by BA employees or agents after the termination of this Agreement, and to limit any further use, access or disclosures.

11. Breach by the CE

Pursuant to 42 U.S.C. section 17934, subdivision (b), if the BA is aware of any activity or practice by the CE that constitutes a material Breach or violation of the CE's obligations under this Agreement, the BA must take reasonable steps to address the Breach and/or end eliminate the continued violation, if the BA has the capability of mitigating said violation. If the BA is unsuccessful in eliminating the violation and the CE continues with non-compliant activity, the BA must terminate the Agreement (if feasible) and report the violation to the Secretary of HHS.

12. Mitigation

BA shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to BA of a use, access or disclosure of PHI by BA, its agents in violation of the requirements of this Agreement.

13. Costs Associated to Breach

BA shall be responsible for reasonable costs associated with a Breach. Costs shall be based upon the required notification type as deemed appropriate and necessary by the CE and shall not be reimbursable under the Agreement at any time. CE shall determine the method to invoice the BA for said costs. Costs shall incur at the current rates and may include, but are not limited to the following:

- Postage;
- Alternative means of notice;
- Media notification; and
- Credit monitoring services.

14. Direct Liability

BA may be held directly liable under HIPAA for impermissible uses and disclosures of PHI; failure to provide breach notification to CE; failure to provide access to a copy of ePHI to CE or individual; failure to disclose PHI to the Secretary of HHS when investigating BA's compliance with HIPAA; failure to provide an accounting of disclosures.

15. Indemnification

BA agrees to indemnify, defend and hold harmless CE and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, penalties, injuries, costs and expenses (including costs for reasonable attorney fees) that are caused by or result from the acts or omissions of BA, its officers, employees and agents, with respect to the use, access, maintenance or disclosure of CE's PHI, including without limitation, any Breach of PHI or any expenses incurred by CE in providing required Breach notifications.

16. Judicial or Administrative Proceedings

CE may terminate the Contract, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws or (ii) a finding or stipulation is made in any administrative or civil proceeding in which the BA has been joined that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws.

17. Insurance

In addition to any general and/or professional liability insurance coverage required of BA under the Contract for services, BA shall provide appropriate liability insurance coverage during the term of this Agreement to cover any and all claims, causes of action, and demands whatsoever made for loss, damage, or injury to

any person arising from the breach of the security, privacy, or confidentiality obligations of BA, its agents or employees, under this Agreement and under HIPAA 45 C.F.R. Parts 160 and 164, Subparts A and E.

18. Assistance in Litigation or Administrative Proceedings

BA shall make itself, and any employees, or agents assisting BA in the performance of its obligations under the Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers, or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where BA employee or agent is a named adverse party.

C. Obligations of CE

CE shall notify BA of any of the following, to the extent that such may affect BA's use, access, maintenance or disclosure of PHI:

i. Any limitation(s) in CE's notice of privacy practices in accordance with 45 C.F.R. section 164.520.

ii. Any changes in, or revocation of, permission by an individual to use, access or disclose PHI.

iii. Any restriction to the use, access or disclosure of PHI that CE has agreed to in accordance with 45 C.F.R. section 164.522.

D. General Provisions

1. Remedies

BA agrees that CE shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which CE may have at law or in equity in the event of an unauthorized use, access or disclosure of PHI by BA or any agent of BA that received PHI from BA.

2. Ownership

The PHI shall be and remain the property of the CE. BA agrees that it acquires no title or rights to the PHI.

3. Regulatory References

A reference in this Agreement to a section in the Privacy Rule and Security Rule and patient confidentiality regulations means the section as in effect or as amended.

4. No Third-Party Beneficiaries

Nothing express or implied in the Contract or this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

5. Amendment

The parties acknowledge that state and federal laws related to privacy and security of PHI are rapidly evolving and that amendment of the Contract or this Agreement may be required to ensure compliance with such developments. The parties shall negotiate in good faith to amend this Agreement when and as necessary to comply with applicable laws. If either party does not agree to so amend this Agreement within 30 days after receiving a request for amendment from the other, either party may terminate the Agreement upon written notice. To the extent an amendment to this Agreement is required by law and this Agreement has not been so amended to comply with the applicable law in a timely manner, the amendment required by law shall be deemed to be

incorporated into this Agreement automatically and without further action required by either of the parties. Subject to the foregoing, this Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed and agreed to by BA and CE.

6. Interpretation

   Any ambiguity in this Agreement shall be resolved to permit CE to comply with the Privacy and Security Rules, the HITECH Act, and all applicable patient confidentiality regulations.

7. Compliance with State Law

   In addition to HIPAA and all applicable HIPAA Regulations, BA acknowledges that BA and CE may have confidentiality and privacy obligations under State law, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq. ("CMIA")). If any provisions of this Agreement or HIPAA Regulations or the HITECH Act conflict with CMIA or any other California State law regarding the degree of protection provided for PHI and patient medical records, then BA shall comply with the more restrictive requirements.

8. Survival

   The respective rights and obligations and rights of CE and BA relating to protecting the confidentiality or a patient's PHI shall survive the termination of the Contract or this Agreement.

Exhibit A - Provider Rates

Cost per Unit (1 minute = Unit) Per Hour (60 min)	**Profession**	**Per minute**	**Per Hour**
Case Management Services	Service Coordinator I	$1.87	$112.20
Mental Health/Therapy Services	Service Coordinator II	$2.41	$144.60
Medication Support/ Nursing Services	Lead Nurse or Nurse Service Coordinator	$4.45	$ 267.00
Crisis related Services	Servicer Coordinator II Licensed Management	$3.58	$214.80
Crisis Intervention	Peer Support Staff, Mental Health Specialist I, & II, Drug & Alcohol Counselor	$4.32	259.2
Case Management /Referral	Peer Support Staff, Mental Health Specialist I, & II, Drug & Alcohol Counselor	$2.31	$138.60
Mental Health Services	Mental Health Specialist I & II	$2.80	$168.00
Medication Support/ Nursing Services	Psych Nurse Practitioner	$5.29	$317.40

MOU-VALLEY STAR-Laurelbrook

Final Audit Report 2026-01-23

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By:	Mayra Small (briefings@hacsb.com)
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REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Meeting Minutes for the Meeting Held on February 10, 2026

RECOMMENDATION(S)

Approve the meeting minutes for the regular meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on February 10, 2026.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.
Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

Approval of this item will not result in a financial impact to the Housing Authority of the County of San Bernardino (HACSB) as there are no financial impacts associated with this item.

BACKGROUND INFORMATION

The HACSB Board of Commissioners (Board) Meeting took place on February 10, 2026. The meeting minutes are attached for review and recommended approval by the Board.

ITEM ATTACHMENTS

- Attachment - Minutes for February 10, 2026 Meeting

PROCUREMENT

Not applicable

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
February 10, 2026

The Board of Commissioners of the Housing Authority of the County of San Bernardino met in a regular meeting at the Administration Office, at 715 East Brier Drive, San Bernardino, California at 3:00 p.m. on February 10, 2026.

Details of the meeting discussion can be obtained through the recording of the Board of Commissioners meeting through a Public Records Request submitted in person or through the HACSB website: https://hacsb.com/public-records-request/

1) Call to Order and Roll Call

The meeting was called to order at 3:01 p.m., and upon roll call, the following were present:

Chair Cooper
Vice-Chair MacDuff
Commissioner Johnson
Commissioner Miller
Commissioner Thomas
Commissioner Khan

Also in attendance were Maria Razo, Executive Director; Rishad Mitha, Deputy Executive Director; Kristin Maithonis, Director of Housing Services; Jesse Diaz, Director of Business Services; George Silva, Family Empowerment Services Manager; Susan Flores, FES Self Sufficiency Specialist; Angie Lardapide, Procurement and Contracts Supervisor; John Moore, Director of Development; Eduardo Martinez, Assistant Regional Communities Manager; Edgar Sedano, Jr. Development Project Manager; Lucy Leslie, Director of Housing Communities; Renee Kangas, Senior Management Analyst; Armando Salazar, Management Analyst and Dion Reyes, Administrative Services Specialist.

Also present was Fred Galante, Legal Counsel to the Housing Authority.

2) Additions or Deletions to the Agenda

Chair Cooper called for additions or deletions to the February 10, 2026, agenda. There were none.

3) General Public Comment

Chair Cooper provided an opportunity for members of the public to address the Board of Commissioners. There were none.

4) Executive Director's Report

The Executive Director's Report was requested.

Executive Director, Maria Razo, provided the Executive Director's Report.
Discussion amongst the Board of Commissioners took place regarding the Executive Director's Report for February 10, 2026.

5) Board Building Presentation

Discussion calendar item number 5, to receive the board building presentation for February 10, 2026, highlights from the Housing Authority of the County of San Bernardino's FY 2025 Moving to Work Annual Report, was requested. Senior Management Analyst, Renee Kangas provided the board building presentation.

Discussion amongst the Board took place regarding the discussion calendar item number 5.

Chair Cooper requested a motion to combine discussion calendar items 6,7, and 8 to be voted on together:

6) Approval of Amendment No. 3 to Lease Agreement, effective February 24, 2026, between the Housing Authority of the County of San Bernardino and San Bernardino County Preschool Services Department for the Arrowhead Grove Head Start Facility

7) Retroactive approval of Agreement with San Bernardino County Preschool Services Department for temporary armed guard services for the Arrowhead Grove and Whitney Young Preschool sites from June 16, 2025 through January 31, 2026 for a total amount of $192,292 ($96,146 each site)

8) Ratification of Amendments No. 10 and No. 11 to contract No. PC1203 back to June 16, 2025, with Intergraded Security Management Group for armed guard services increasing the current contract by $192,292.00 for a total amount not to exceed $901,153.00 through January 31, 2026

Discussion calendar items numbers 6,7, and 8 were requested.

Commissioner Miller moved to approve discussion calendar items number 6,7, and 8, as recommended by staff and Commissioner MacDuff seconded the motion. Upon roll call vote, the Ayes and Nays were as follows:

Ayes	Nays
Chair Cooper	
Vice-Chair MacDuff	
Commissioner Johnson	
Commissioner Miller	
Commissioner Thomas	
Commissioner Khan	

9) Approval of an extension of the Project-Based Voucher Program Housing Assistance Payments Contract with HPI Property Acquisitions LLC for 47 units at Robert O. Townsend Apartments for a 15-year period from April 15, 2027, through April 14, 2042

Discussion calendar item number 9, to approve an extension of the Project-Based Voucher Program Housing Assistance Payments Contract with HPI Property Acquisitions LLC for 47 units at Robert O. Townsend Apartments for a 15-year period from April 15, 2027, through April 14, 2042, was requested.

Commissioner Johnson moved to approve discussion calendar item number 9, as recommended by staff and Commissioner Miller seconded the motion. Upon roll call vote, the Ayes and Nays were as follows:

Ayes	Nays
Chair Cooper	
Vice-Chair MacDuff	
Commissioner Johnson	
Commissioner Miller	
Commissioner Thomas	
Commissioner Khan	

Chair Cooper requested a motion to combine discussion calendar items 10 and 11 to be voted on together:

10) Approval of a data use agreement, effective March 24, 2026, between the Housing Authority of the County of San Bernardino, Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Step Up on Second Street, Inc., and Inland Housing Solutions for the permanent supportive housing development, Golden Apartments, for a five-year term through October 31, 2030

11) Approval of a data use agreement, effective March 24, 2026, between the Housing Authority of the County of San Bernardino, Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Valley Star Behavioral Health, Inc., Step Up on Second Street, Inc., and Inland Housing Solutions for the permanent supportive housing development, Desert Haven Apartments, for a five-year term through October 31, 2030

Discussion calendar items numbers 10 and 11 were requested.

Commissioner Miller moved to approve discussion calendar items numbers 10 and 11, as recommended by staff and Commissioner Thomas seconded the motion. Upon roll call vote, the Ayes and Nays were as follows:

Ayes	Nays
Chair Cooper	
Vice-Chair MacDuff	
Commissioner Johnson	
Commissioner Miller	
Commissioner Thomas	
Commissioner Khan	

12, 13, and 14) Consent Calendar

Approval of the consent calendar including agenda items number 9-11 was requested. Commissioner Johnson moved to approve consent calendar agenda items number 9-11:

12) Approve the meeting minutes for the regular meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on January 13, 2026.

13) Approve and file agency-wide financial statements through October 2025.

14) Approve the expense of uncollectable vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of November 2025.

The motion was duly seconded by Commissioner Khan. Upon roll call vote, the Ayes and Nays were as follows:

Ayes	Nays
Chair Cooper	
Vice-Chair MacDuff	
Commissioner Johnson	
Commissioner Miller	
Commissioner Thomas	
Commissioner Khan	

15) Individual Board Member Comments

With respect to the Executive Director's Report, Vice-Chair MacDuff commended the progress that had been made by the Housing Services staff in eliminating the number of outdated applications on the housing waiting list.

There being no other business, Commissioner MacDuff motioned for the February 10, 2026, meeting to be adjourned, and which motion was duly seconded by Commissioner Khan. There being no objection to the call for adjournment, the meeting was adjourned by unanimous consent at 3:58 p.m.

Attest:

_____
Secretary

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Meeting Minutes for the Special Meeting Held on February 10, 2026

RECOMMENDATION(S)

Approve the meeting minutes for the special meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on February 10, 2026.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.
Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

Approval of this item will not result in a financial impact to the Housing Authority of the County of San Bernardino (HACSB) as there are no financial impacts associated with this item.

BACKGROUND INFORMATION

The HACSB Board of Commissioners (Board) Special Meeting took place on February 10, 2026, and attached are the meeting minutes for review and recommended approval by the Board.

PROCUREMENT

Not applicable

ATTACHMENTS

- Attachment – Board Retreat Meeting Minutes

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
February 10, 2026

The Board of Commissioners of the Housing Authority of the County of San Bernardino met in a special meeting at the Administration Office, at 715 East Brier Drive, San Bernardino, California at 11:00 a.m. on February 10, 2026.

Details of the meeting discussion can be obtained through the recording of the Board of Commissioners meeting through a Public Records Request submitted in person or through the HACSB website: https://hacsb.com/public-records-request/

1) Call to Order and Roll Call

The meeting was called to order at 11:04 a.m., and upon roll call, the following were present:

Chair Cooper
Vice-Chair MacDuff
Commissioner Miller
Commissioner Thomas
Commissioner Jain
Commissioner Khan

Also in attendance were Maria Razo, Executive Director; Rishad Mitha, Deputy Executive Director; Jennifer Dawson, Director of Administrative Services; Jesse Diaz, Director of Business Services; and Nicole Beydler, Director of Policy and Communication, joined via teleconference.

Also present was Fred Galante, Legal Counsel to the Housing Authority.

2) Additions or Deletions to the Agenda

Chair Cooper called for additions or deletions to the February 10, 2026, agenda. There were none.

3) General Public Comment

Chair Cooper provided an opportunity for members of the public to address the Board of Commissioners. There was no public comment.

4) Commissioner and Staff Introductions and Background

Commissioner and Staff Introductions and Background was requested.

Discussion amongst the Board of Commissioners took place regarding Introductions and Background.

5) Lunch

6) Receive updates from the Director of Administrative Services regarding current human resources and information technology projects.

Jennifer Dawson, Director of Administrative Services, provided the presentation to the Board.

7) Receive updates from the Director of Business Services regarding current procurement and finance projects

Jesse Diaz, Director of Business Services, provided the presentation to the Board.

8) Receive updates from the Deputy Executive Director on agency operations and real estate development.

Rishad Mitha, Deputy Executive Director, provided the presentation to the Board.

9) 2026 Federal Advocacy Preparation

Nicole Beydler, Director of Policy and Communication, provided the presentation to the Board along with Dan Feliz, Legislative Consultant with Potomac Partners.

10) Overview of California Brown Act Requirements

Fred Galante, Legal Counsel to the Housing Authority, provided the presentation to the Board.

Commissioner Johnson joined the meeting at 12:07 p.m.

Commissioner Jain left the meeting at 1:56 p.m.

Commissioner Johnson moved for the special meeting of Tuesday, February 10, 2026, to be adjourned, and which motion was duly seconded by Commissioner Thomas. There being no objection to the call for adjournment, the meeting was adjourned by unanimous consent at 2:29 p.m.

Attest:

_____
Secretary

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Agency-Wide Financial Statements Through November 2025

RECOMMENDATION(S)

Approve and file agency-wide financial statements through November 2025.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

The Housing Authority of the County of San Bernardino's (HACSB) fiscal year-to-date agency-wide net gain through November 2025 is $374,077 with a variance of $1,848,010 when compared to the budgeted net loss of $(1,473,993). The significant variances of the budget are as follows:

- The HCV program received $1.8 million less in Housing Assistance Payment HAP funding from HUD when compared to the budgeted amount. HACSB expects to receive all HAP funds that were awarded, but the actual funds that are received are based on prior months' HAP expenses. This causes a variance between the amount of funding budgeted and the amount received.
- The HCV program experienced a decrease in HAP expenses in the amount of $1.6 million. This difference is due to two factors:
    - The budgeted amount does not take into consideration the implementation of the increased tenant portion percentage to 36% of income that was implemented during the fiscal year. This implementation resulted in some cost savings as was the intent.
    - The per unit cost (PUC) anticipated increase is lower than what was budgeted.
- The tenant income was $500 thousand higher than the budgeted amount, mostly due to an increase in rental income. This rental income increase is due to rent increases in the authority owned portfolio, and the percentage of tenant income change in the Housing Choice Voucher program.
- Physical needs work was $800 thousand less than budgeted. This amount is reflected in the extraordinary maintenance line on the financial statements, and the variance is due to some projects not commencing due to staff turnover. Health and safety items continue to get priority attention.
- A decrease of $1 million in administrative and maintenance salaries mostly due to vacant positions. These expenses will resume as vacant positions are filled.
- Depreciation expenses are not budgeted and amount to $700 thousand. This is not a cash transaction and is based on the accrual accounting procedures required by GAAP that

reduce the value of fixed assets over time. Non-cash transactions like depreciation are required under GAAP as they affect an agency's financial statements without impacting its cash flow.

The information provided is based on unaudited information. During the audit process, revenue and expenses are typically adjusted and we expect a material amount of expenses related to the pension and Other Post Employment Benefit (OPEB) plans to be recognized during this process. This will lead to a decrease in the operating net income. The audited financial report will be provided to the Board of Commissioners once the audit process has been completed. The audit process will be completed in late June 2027 for FY 2026.

Financial Summary	FY 2026 YTD
Revenues	$ 41,321,119
Expenses	$(40,275,627)
Operating Net Income/(Loss)	$ 1,045,493
Operating Transfers/Non-Operating Items	$(671,416)
Net Income/(Loss)	$ 374,077

BACKGROUND INFORMATION

HACSB is the largest provider of affordable housing in San Bernardino County, administering multiple housing programs, including the Housing Choice Voucher (HCV) program and owns and operates a multi-family portfolio. The HCV program provides tenant-based subsidies, enabling low-income families to afford safe, quality housing in the private market, complementing our portfolio of physical units. The FFY 2025-26 budget and financial operations align with HACSB's vision, mission, Strategic Plan, and MTW Annual Plans, supporting affordable housing and community development across the county. We continue to focus on maintaining the agency's fiscal stability, customer service, innovation, best practices, partnerships that will assist our staff and families, and show a continued passion for our agency's mission. Based on the best practice to apprise HACSB's Board of Commissioners on the agency's financial position, HACSB is presenting the financial statements monthly.

PROCUREMENT

Not applicable

ITEM ATTACHMENTS

- Attachment – HACSB Budget Comparison 11.2025

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on March 4, 2026.

HACSB
Budget Comparison
Period = Oct 2025-Nov 2025

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	6,749,405	6,307,486	441,919	7.01	37,844,571
Total Other Tenant Income	178,269	106,054	72,215	68.09	615,078
NET TENANT INCOME	6,927,674	6,413,540	514,134	8.02	38,459,649
GRANT INCOME					
TOTAL GRANT INCOME	32,583,044	34,540,185	-1,957,141	-5.67	207,241,109
OTHER INCOME					
TOTAL OTHER INCOME	1,810,401	1,469,280	341,121	23.22	10,069,098
TOTAL INCOME	41,321,119	42,423,005	-1,101,886	-2.60	255,769,856
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	751,220	869,667	118,447	13.62	5,218,000
ADMINISTRATIVE					
Total Administrative Salaries	2,907,771	3,365,854	458,083	13.61	21,072,846
Total Legal Expense	69,694	113,315	43,621	38.50	668,848
Total Other Admin Expenses	1,472,841	1,666,801	193,960	11.64	9,968,590
Total Miscellaneous Admin Expenses	646,943	722,073	75,131	10.40	2,931,851
TOTAL ADMINISTRATIVE EXPENSES	5,097,250	5,868,043	770,794	13.14	34,642,135
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	4,564	32,910	28,346	86.13	186,610
UTILITIES					
TOTAL UTILITY EXPENSES	640,013	835,985	195,973	23.44	5,024,688
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	702,410	696,182	-6,228	-0.89	4,281,778
Total Materials	219,206	213,863	-5,343	-2.50	1,281,843
Total Contract Costs	602,185	800,119	197,934	24.74	4,770,102
TOTAL MAINTENANCE EXPENSES	1,523,802	1,710,164	186,363	10.90	10,333,723
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	622,488	535,160	-87,328	-16.32	2,988,262
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	441,981	1,218,500	776,519	63.73	3,736,804
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	30,851,153	32,478,854	1,627,701	5.01	194,873,123
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	343,157	347,655	4,498	1.29	2,097,206
TOTAL OPERATING EXPENSES	40,275,627	43,896,938	3,621,312	8.25	259,100,551
OPERATING NET INCOME	**1,045,493**	**-1,473,933**	**2,519,426**	**170.93**	**-3,330,695**
NET OPERATING TRANSFER IN/OUT	0	0	0	N/A	0
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	671,416	0	-671,416	N/A	0
NET INCOME	374,077	-1,473,933	1,848,010	125.38	-3,330,695

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 10, 2026

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss for the Month of December 2025.

RECOMMENDATION(S)

Approve the expense of uncollectable vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of December 2025.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

The accounts receivable loss for the month ending December 31, 2025, is $67,190.09 The Housing Authority of the County of San Bernardino (HACSB) projects and anticipates collection losses in its annual budget. The true expense is reported after board approval.

SUMMARY FOR HACSB- Authority Owned Properties

PROPERTY	NO. VACATED	TOTAL
402 - Summit Place	1	1,047.00
403 - Summit Walk	1	4,107.99
407 - Sunset Pointe	4	6,324.56
408 - Sunrise Vista	4	1,318.00
409 - Andalusia	2	9,991.00
410 - Merrill	0	-
414 - Redwood	2	289.00
420 - Desert View	1	370.52
434b - Crafton	1	156.00
437 - Sunset Gardens	1	123.00
439 - Hampton	1	509.00
467 - Hillcrest	0	-
481130-Maplewood	2	5,415.88
481150- Redlands	2	16,473.35
491 - Echo	2	9,827.46
Concessions Write Off		-
TOTAL RENT WRITE OFF	24	55,952.76
Miscellaneous Charges		8,331.99
Maintenance Charges		10,676.16
Legal Charges		12,218.18
Security Deposits Applied		(19,989.00)
NET TOTAL WRITE OFF		67,190.09

BACKGROUND INFORMATION

On a monthly basis, HACSB records vacated tenant accounts for the Authority Owned Portfolio for the purpose of being written off to collection losses. Authority Owned Portfolio units are owned by HACSB and were either acquired or developed through a variety of partnerships with local governments and/or HACSB's non-profit affiliate Housing Partners I, Inc., and include public housing developments converted through the United States Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program.

Despite HACSB's efforts to collect the debts listed in the attached reports, it has been determined that such debts are uncollectible. As part of HACSB's standard property management business practices, the Board of Commissioners' approval is requested to write off these accounts as accounts receivable losses to the Authority Owned Portfolio. Subsequent to board approval, the information is sent over to our contracted collection agency. Losses during this time period (December 1 – December 31, 2025) are primarily for voluntary move-outs and evictions.

PROCUREMENT

Not applicable

ITEM ATTACHMENTS

- Attachment – COLLECTION WRITE-OFFS – Authority Owned Portfolio

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

Housing Authority County of San Bernardino

Month End: 12/31/25

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
402 - Summit Place													
1	C	M	[redacted]	V	1,653.00	1,047.00		50.00	979.00		2,076.00	900.00	1,176.00
							-				-		-
					TOTALS:	**1,047.00**	**-**	**50.00**	**979.00**	**-**	**2,076.00**	**900.00**	**1,176.00**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A	12/19/25

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
403 - Summit Walk													
2	L	K	[redacted]	E	2,101.00	4,107.99	-	200.00	515.00	1,445.00	6,267.99	800.00	5,467.99
							-				-		-
					TOTALS:	**4,107.99**	**-**	**200.00**	**515.00**	**1,445.00**	**6,267.99**	**800.00**	**5,467.99**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
2	Notice to Pay or Quit	10/06/25	Posted	11/12/25	11/14/25	N		N/A	N/A	11/29/25

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
407 - Sunset Pointe													
3	B	R	[redacted]	V	1,400.00	(7.00)		75.00	950.00		1,018.00	300.00	718.00
4	B	L	[redacted]	E	1,100.00	2,489.56		4,202.76	2,729.00	925.00	10,346.32	500.00	9,846.32
5	J	S	[redacted]	E	1,400.00	2,512.00		389.00	639.00	1,405.57	4,945.57	600.00	4,345.57
6	M	A	[redacted]	E	1,400.00	1,330.00			2,700.00	1,500.00	5,530.00	600.00	4,930.00
					TOTALS:	**6,324.56**	**-**	**4,666.76**	**7,018.00**	**3,830.57**	**21,839.89**	**2,000.00**	**19,839.89**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
3	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A	12/05/25
4	Notice to Pay or Quit	08/07/25	Posted	08/22/25	09/05/25	N		N/A	N/A	11/26/25
5	Notice to Pay or Quit	09/08/25	Posted	09/24/25	10/09/25	N		N/A	N/A	11/26/25
6	Notice to Pay or Quit	10/07/25	Posted	10/20/25	10/23/25	N		N/A	N/A	11/20/25

*Reasons: E=Eviction S=Skip V=Voluntary T=Terminated Tenancy **Unpaid Misc.: D=Deceased Stipulated agreements for rent, maintenance charges, late charges, etc.

Housing Authority County of San Bernardino

Month End: 12/31/25

COLLECTION WRITE-OFFS - Authority Owned Portfolio

408 - Sunrise Vista													
7	R	R	[redacted]							(1,195.00)	(1,195.00)		(1,195.00)
8	P	L		V	845.00	85.00		38.54	1,301.16		1,424.70	650.00	774.70
9	H	C		V	1,275.00	1,105.00		168.89	1,314.08		2,587.97	1,050.00	1,537.97
10	T	J		S	1,375.00	688.00		75.00	2,234.70		2,997.70	1,000.00	1,997.70
11	P	L		V	1,400.00	(560.00)		75.00	1,123.00		638.00	450.00	188.00
					TOTALS:	**1,318.00**	**-**	**357.43**	**5,972.94**	**(1,195.00)**	**6,453.37**	**3,150.00**	**3,303.37**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
7	Collection on bad debt									
8	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A	12/03/25
9	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A	12/26/25
10	Skip	N/A	N/A	N/A	N/A	N/A		N/A	N/A	11/15/25
11	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A	11/26/25

409 - Andalusia													
12	R	P	[redacted]						(16,624.00)		(16,624.00)		(16,624.00)
13	J	A							(275.00)		(275.00)		(275.00)
14	D	P		V	1,795.00	2,274.00		150.00	1,387.00		3,811.00	1,795.00	2,016.00
15	L	G		E	2,338.00	7,717.00		775.00	1,373.00	1,500.00	11,365.00	2,438.00	8,927.00
					TOTALS:	**9,991.00**	**-**	**925.00**	**(14,139.00)**	**1,500.00**	**(1,723.00)**	**4,233.00**	**(5,956.00)**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
12	Collection on bad debt									
13	Collection on bad debt									
14	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A	12/08/25
15	Notice To Pay or Quit	09/06/25	Posted	09/23/25	09/24/25	Y		11/06/25	12/18/2025	12/18/25

410 - Merrill													
16	K	C	[redacted]				-		(125.00)		(125.00)		(125.00)
17	L	D					-		(462.00)		(462.00)		(462.00)
							-				-		-
					TOTALS:	**-**	**-**	**-**	**(587.00)**	**-**	**(587.00)**	**-**	**(587.00)**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
16	Payment on bad debt									
17	Adjustment to previous month write off									

*Reasons: E=Eviction S=Skip V=Voluntary T=Terminated Tenancy **Unpaid Misc.: D=Deceased Stipulated agreements for rent, maintenance charges, late charges, etc.

Housing Authority County of San Bernardino

Month End: 12/31/25

COLLECTION WRITE-OFFS - Authority Owned Portfolio

414 - Redwood													
18	D	R	[redacted]	D	1,650.00	275.00			225.00		500.00	225.00	275.00
19	L	D		V	1,650.00	14.00			1,070.00		1,084.00	600.00	484.00
					TOTALS:	**289.00**	**-**	**-**	**1,295.00**	**-**	**1,584.00**	**825.00**	**759.00**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
18	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	12/05/25
19	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A	12/01/25

420 - Desert View													
20	M	A	[redacted]	S	922.00	370.52		100.00	3,318.00		3,788.52	1,042.00	2,746.52
					TOTALS:	**370.52**	**-**	**100.00**	**3,318.00**	**-**	**3,788.52**	**1,042.00**	**2,746.52**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
20	Skip	N/A	N/A	N/A	N/A	N/A		N/A	N/A	12/15/25

434b - Crafton													
21	C	G	[redacted]	S	1,550.00	156.00			669.00		825.00	250.00	575.00
											-		-
					TOTALS:	**156.00**	**-**	**-**	**669.00**	**-**	**825.00**	**250.00**	**575.00**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
21	Notice to Pay or Quit	12/08/25	P	N/A	N/A	N/A		N/A	N/A	12/12/25

437 - Sunset Gardens													
22	M	A	[redacted]	V	1,750.00	123.00	-		1,852.00		1,975.00	1,100.00	875.00
							-						
					TOTALS:	**123.00**	**-**	**-**	**1,852.00**	**-**	**1,975.00**	**1,100.00**	**875.00**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
22	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A	12/02/25

*Reasons: E=Eviction S=Skip V=Voluntary T=Terminated Tenancy **Unpaid Misc.: D=Deceased Stipulated agreements for rent, maintenance charges, late charges, etc.

Housing Authority County of San Bernardino

Month End: 12/31/25

COLLECTION WRITE-OFFS - Authority Owned Portfolio

439 - Hampton													
23	M	A	[redacted]	V	1,695.00	509.00	-	191.66	370.00		1,070.66	400.00	670.66
					TOTALS:	**509.00**	**-**	**191.66**	**370.00**	**-**	**1,070.66**	**400.00**	**670.66**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
23	Intent to vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A	12/09/25

467 - Hillcrest													
24	E	C	[redacted]						(165.81)		(165.81)		(165.81)
											-		
					TOTALS:	**-**	**-**	**-**	**(165.81)**	**-**	**(165.81)**	**-**	**(165.81)**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
24	Payment on bad debt									

481130-Maplewood													
25	G	R	[redacted]	E	404.00	1,339.00			1,010.00	1,705.11	4,054.11	965.00	3,089.11
26	H	R	[redacted]	E	1,123.00	4,076.88			340.00	1,270.00	5,686.88	950.00	4,736.88
					TOTALS:	**5,415.88**	**-**	**-**	**1,350.00**	**2,975.11**	**9,740.99**	**1,915.00**	**7,825.99**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
25	Notice to Pay or Quit	09/08/25	Posted	10/09/25	10/14/25	Y		12/03/25	N/A	12/02/25
26	Notice to Pay or Quit	08/07/25	Posted	09/09/25	09/10/25	N		10/14/25	N/A	12/11/25

481150- Redlands													
27	G	A	[redacted]	E	955.00	2,165.35			75.00	2,162.50	4,402.85	540.00	3,862.85
28	M	D	[redacted]	S	1,151.00	14,308.00		1,088.00	7.77		15,403.77	1,334.00	14,069.77
										-	-		-
					TOTALS:	**16,473.35**	**-**	**1,088.00**	**82.77**	**2,162.50**	**19,806.62**	**1,874.00**	**17,932.62**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
27	60 day notice to quit	01/13/25	Posted	04/03/25	04/08/25	Y		08/20/25	12/03/25	12/17/25
28	Notice of Abandonment	12/12/25	Posted	N/A	N/A	N/A		N/A	N/A	12/30/25

*Reasons: E=Eviction S=Skip V=Voluntary T=Terminated Tenancy **Unpaid Misc.: D=Deceased Stipulated agreements for rent, maintenance charges, late charges, etc.

Housing Authority County of San Bernardino

Month End: 12/31/25

COLLECTION WRITE-OFFS - Authority Owned Portfolio

491 - Echo													
29	M	T	[redacted]	V	2,195.00	(0.54)		59.15	863.00		921.61	750.00	171.61
30	D	D		E	2,195.00	9,828.00		693.99	1,283.26	1,500.00	13,305.25	750.00	12,555.25
					TOTALS:	**9,827.46**	**-**	**753.14**	**2,146.26**	**1,500.00**	**14,226.86**	**1,500.00**	**12,726.86**

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
29	3 Day Perform or Quit	12/05/25	Posted	N/A						12/05/25
30	Notice to Pay or Quit	08/06/25	Posted	09/22/25	09/23/25	Y		11/03/25	N/A	12/15/25

				ALL PROPERTY TOTALS:	**55,952.76**	**-**	**8,331.99**	**10,676.16**	**12,218.18**	**87,179.09**	**19,989.00**	**67,190.09**

Submitted by: _____ Date: _____ Reviewed by: _____ Date: _____

*Reasons: E=Eviction S=Skip V=Voluntary T=Terminated Tenancy **Unpaid Misc.: Stipulated agreements for rent, maintenance charges, late charges, etc.

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

March 16, 2026

FROM
MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT
Collection Losses for Delinquent Accounts of Housing Services Programs through the month of January 2026

RECOMMENDATION(S)
Approve the write-off of delinquent accounts for the Housing Services Programs as collection losses for the month of January 2026.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT
Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT
The write-off of these accounts receivable for January 2026 is $7,378.00. Each year, the Housing Authority of the County of San Bernardino budgets for these types of write-offs as a provision for bad debt.

BACKGROUND INFORMATION
The Housing Authority of the County of San Bernardino (HACSB or Housing Authority) maintains repayment agreements with participating tenants and collections efforts with landlords. The tenant repayment agreements are the result of unreported income or unauthorized household members, and the landlord collections are typically due to Housing Assistance Payments being paid after an assisted tenant vacated the premises without notice. When a tenant or landlord leaves program participation owing money to HACSB, the Housing Authority continues collection efforts. If collection efforts fail, the debt is referred to the collection agency, and tenant debts are reported to the U.S. Department of Housing and Urban Development's (HUD's) debts owed system. Housing authorities have access to HUD's debts owed system to identify applicants who owe money to other housing authorities. Repayment of the debt is a condition of admission to the program.

As a part of the collection process, Board of Commissioners (Board) approval is needed prior to submitting delinquent accounts to the collection agency on an as needed basis. This is consistent with the procedures followed for vacated tenant accounts for the Authority Owned Portfolio.

All the debts listed are from former program participants where the Housing Authority's efforts to collect the remaining balances were unsuccessful. The total write-off for tenant participants as of January 2026 is $7,378.00. This figure represents past tenants who entered into repayment agreements but whose balances remain uncollected. These accounts will be referred to a collection agency for further action. Attached is a report that itemizes the individual accounts.

PROCUREMENT
Not applicable

ITEM ATTACHMENTS
- Attachment – COLLECTION WRITE-OFFS: Housing Services Program

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on February 26, 2026.

Housing Authority of the County of San Bernardino

COLLECTION WRITE-OFFS: HOUSING SERVICES PROGRAMS

Former Program Participants

Program	Tenant Code	Last Name	First Name	TPA#	Start Month	Total Repayment Amount	Total Amount Received	Total Remaining	Status	Delinquency Date	Tenant Status
310150	[redacted]	S	S	641	May-19	$ 3,404.00	$ 1,141.00	$ 2,263.00	Delinquent	08/2024	Past
310300	[redacted]	G	M	562	Mar-18	$ 4,085.00	$ 850.00	$ 3,235.00	Delinquent	03/2020	Past
310309	[redacted]	F	M	540	Dec-18	$ 771.00	$ 325.00	$ 446.00	Delinquent	12/2018	Past
310350	[redacted]	C	J	590	Dec-19	$ 2,754.00	$ 1,320.00	$ 1,434.00	Delinquent	05/2020	Past
	TOTAL:					**$ 11,014.00**	**$ 3,636.00**	**$ 7,378.00**			