

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

757



FROM: Department of Mental Health

SUBMITTAL DATE:
March 3, 2011

SUBJECT: Approve four (4) separate Cooperative Agreements for Rancho Dorado North, The Vineyards at Menifee, Legacy and Vintage at Snowberry.

RECOMMENDED MOTION: Move that the Board of Supervisors:

1. Approve four (4) separate Cooperative Agreements between the Riverside County Department of Mental Health with the following entities: Barker Management Incorporated and MV Rancho Dorado II Limited Partnership for Rancho Dorado North; Barker Management Incorporated and Menifee Vineyards Limited Partnership for The Vineyards at Menifee; Barker Management Incorporated and Thousand Palms Apartments Limited Partnership for Legacy; and USA Property Management, Inc. and Snowberry Senior Apartments Limited Partnership for Vintage at Snowberry for providing permanent supportive housing services in the County of Riverside;
2. Authorize the Chairman of the Board of Supervisors to sign all four (4) of the Cooperative Agreements; and
3. Authorize the Director of the Department of Mental Health to sign annual renewals and/or subsequent ministerial amendments between the Department of Mental Health and the parties for all four (4) of the Cooperative Agreements in which there is no change in County costs or in financial terms of the Cooperative Agreements.

BACKGROUND: On January 8, 2008, Agenda Item 3.14, the Riverside County Board of Supervisors authorized the California Housing Finance Agency (CalHFA) **(Continued on page 2)**

Jerry Wengerd

Jerry Wengerd, Director
Department of Mental Health

JW:TP:SL:MIM:PG

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NA
Annual Net County Cost:	\$ 0	For Fiscal Year:	10/11

SOURCE OF FUNDS: 100% MHSA

Positions To Be Deleted Per A-30
Requires 4/5 Vote

APPROVE

C.E.O. RECOMMENDATION:

County Executive Office Signature

Debra Courmoyer

Debra Courmoyer

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* 3/3/11
MARSHAL VICTOR DATE: Departmental Concurrence

Policy Policy
Consent Consent

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 1.08.08 item 3.14; 3.09.09 item 3.51 | District: 1, 3, 4, 5 | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.31

SUBJECT: Approve four (4) separate Cooperative Agreements for Rancho Dorado North, The Vineyards at Menifee, Legacy and Vintage at Snowberry.

BACKGROUND (continued):

and the State Department of Mental Health (DMH) to administer the Riverside County Department of Mental Health's (RCDMH) Mental Health Services Act (MHSA) Housing Program funds. In accordance with the MHSA Housing guidelines, the RCDMH, in collaboration with partnering developers, is permitted to apply for MHSA funding for the purpose of developing permanent supportive housing for people with mental illness and for providing rental subsidies for occupants of that housing. The MHSA funds are presently held in trust by the CalHFA, which administers the funds. In addition, the MHSA funding requires that a Cooperative Agreement be executed for each project in which the permanent supportive housing units are located. The Cooperative Agreement establishes the roles and responsibilities of the RCDMH, the applicable property management companies and the limited partnership entities that own the respective properties.

The Director of RCDMH submitted the application for Rancho Dorado North on May 5, 2008. The Cooperative Agreement for Rancho Dorado North was approved by the Riverside County Board of Supervisors on March 9, 2009, Agenda Item 3.51. Rancho Dorado North Project has been completed and is occupied. The property owner has replaced the property management company, which requires that a new Cooperative Agreement be executed.

The application for The Vineyards at Menifee was submitted by the Director of RCDMH on June 6, 2009; the application for Legacy was submitted on September 14, 2010; and the application for Vintage at Snowberry was submitted on April 6, 2010. All three of these projects are currently in various stages of development and construction, and all three have reached the point where the MHSA financing documents must be executed. Accordingly, the Cooperative Agreements for Legacy, The Vineyards at Menifee, and Vintage at Snowberry are now being submitted for Board of Supervisors approval in fulfillment of the aforementioned requirements for the MHSA funding.

Therefore, the RCDMH is requesting that all four (4) Cooperative Agreements between the RCDMH and the aforementioned property management companies and limited partnerships for permanent supportive housing services be approved by the Board of Supervisors for implementation in FY 10/11.

PERIOD OF PERFORMANCE:

The Cooperative Agreements are effective upon the date of the issuance of the first Certificate of Occupancy for each of the respective projects, and may be renewed annually thereafter by mutual, written consent of all parties for a period of twenty (20) years. Each agreement has mutually agreed upon termination provisions intended to safeguard the county and to protect the interest of the other parties involved.

FINANCIAL IMPACT:

For services performed under the aforementioned agreements, RCDMH, the property management companies and the limited liability partnerships will not directly exchange funds. Funding will be released from existing MHSA funds that are held by CalHFA on behalf of the RCDMH. No additional county funds are required.

COOPERATIVE AGREEMENT

PARTIES: COUNTY OF RIVERSIDE,
DEPARTMENT OF MENTAL HEALTH

AND

**BARKER MANAGEMENT INCORPORATED & MV
RANCHO DORADO II LIMITED PARTNERSHIP**

TYPE OF SERVICE: MANAGEMENT OF FIFTEEN UNITS OF
SUPPORTIVE PERMANENT HOUSING WITHIN
AN AFFORDABLE HOUSING PROJECT KNOWN
AS RANCHO DORADO NORTH

THIS COOPERATIVE AGREEMENT, herein after referred to as AGREEMENT, is entered into by and between the County of Riverside (hereinafter "COUNTY"), on behalf of its Department of Mental Health (hereinafter "DOMH), and Barker Management Incorporated (hereinafter "BMI") and is concurred to by MV Rancho Dorado II Limited Partnership (hereinafter "MVRDIILP") for the management of fifteen units of supportive housing within an 70 unit affordable housing project known as Rancho Dorado North, hereinafter referred to as the PROJECT; and is based on the following representations and statements of purpose:

WHEREAS, the California State Department of Mental Health ("State DMH") has allocated \$133,333,700 in Mental Health Services Act (MHSA) funds statewide to develop supportive permanent housing for extremely low-income people with psychiatric disabilities or serious emotional disturbance; and

WHEREAS, the State of California Department of Mental Health has allocated a maximum of \$19,077,100 of MHSA Funding to Riverside County to invest in housing development for adults, transition age youth, and children and families who are eligible to be served in DOMH designated Full Service Partnership type programs due to experiencing serious psychiatric disabilities and/or emotional disturbance and are homeless, at risk of homelessness and/or have been inadequately or ineffectively served in traditional treatment which has resulted in repeated psychiatric hospitalizations or incarcerations related to ineffectively treated illness(es); and

WHEREAS, the DOMH seeks to expand the supply of acceptable, affordable housing for eligible adults, transition age youth, and children and families with low and very-low qualifying incomes through an agreement with MVRDIILP; and

WHEREAS, MVRDIILP will agree under a separate AGREEMENT to receive construction funding to perform construction and related activities as described herein; and

WHEREAS, MVRDIILP has entered into an AGREEMENT with BMI to manage the development and carry out the performance of MVRDIILP's responsibilities described herein as it relates to the maintenance of the PROJECT and leasing of the MHSA supportive permanent

housing units;

NOW, THEREFORE, the COUNTY, MVRDIILP and BMI mutually agree as follows:

I. GENERAL STATEMENT OF INTENT:

The PROJECT to be developed will be located at the southeast corner of Perris Boulevard and John F. Kennedy Avenue in the City of Moreno Valley, California.

The PROJECT shall consist of a total of seventy-one (71) units, comprised of (70) multi-family affordable housing units plus a manager's unit. A total of fifty five (55) units will be affordable general population units and fifteen (15) shall be set-aside for DOMH consumers certified to be eligible for MHSA supportive permanent housing units. During the affordability period of not less than 20 years, the initial, qualifying income of eligible MHSA tenants shall be equal to or less than thirty percent (30%) of the area median income as specified by the DOMH.

The PROJECT shall include the following: one (1), two (2) and three (3) bedroom rental units, a computer room, a game room, an activity room, pool, a spa and a splash park, a tot lot, exercise pathways, laundry facilities, a service staff office, a manager's unit, common areas and landscaping. a swimming pool and splash pad, picnic areas and low-impact cardio walking circuit, a 5,358 square foot community center that will include a computer room, ample meeting space, a kitchen and restrooms. In addition, the units will have assigned carports and there will be coin operated laundry facilities on-site. There will also be confidential office space for supportive services staff to meet with project residents that are participants in the supportive housing program.

MVRDIILP and DOMH have mutually agreed to jointly develop and submit to State DMH and California Housing Finance Agency the MHSA Housing Fund Application for capital development and operating subsidy funding in a total grant award amount not to exceed \$ 2,810,000, which includes \$ 1,500,000 for capital development and \$ 1,310,000 to provide operating subsidies for the MHSA units in the PROJECT.

II. DUTIES AND RESPONSIBILITIES:

A. MVRDIILP RESPONSIBILITIES. The responsibility of constructing, operating and maintaining the PROJECT will be the sole responsibility of MVRDIILP and shall be carried out through the services of BMI.

1. MVRDIILP, through the services of BMI, will maintain and operate all units of the PROJECT, consisting of a total of seventy (70) multi-family affordable housing units plus a manager's unit, of which fifty five (55) will be affordable general population units, and fifteen (15) shall be set-aside for DOMH consumers certified to be eligible for MHSA supportive permanent housing units. During the affordability period of not less than 20 years as defined herein, the DOMH, BMI and MVRDIILP all mutually agree that the initial qualifying income of eligible MHSA tenants shall be equal to or less than thirty percent (30%) of the area median income.

2. BMI will maintain all common grounds of the PROJECT. This includes outside and inside fixtures, walls and other such common areas that are not regarded as part of or under the control of the occupant's possession.
3. BMI is responsible for general housekeeping of the common grounds.
4. BMI will comply with all applicable licensing regulations.
5. MVRDIILP will dedicate fifteen undesignated units that will be located throughout the PROJECT for pre-certified candidates of DOMH.
6. All candidates seeking MHSA set-aside occupancy into the PROJECT who are not directly referred by DOMH will be sent to DOMH by BMI for screening. This includes candidates applying directly to MVRDIILP, BMI or at the PROJECT.
7. BMI will be responsible for developing and conducting PROJECT marketing in accordance with funding and Fair Housing access provisions.
8. BMI will be responsible for consistent application of Tenant Selection criteria that is in accordance with all applicable Fair Housing provisions and/or applicable project funder(s) requirements when considering tenancy for all MHSA housing unit applicants.
9. BMI will develop Tenant Selection criteria in partnership with DOMH that are consistent with applicable Fair Housing provisions. This includes a notification, appeal and reasonable accommodation process for candidates denied tenancy.
10. BMI will immediately notify DOMH in the event of an MHSA unit occupant leaving the PROJECT for any reason.
11. BMI will provide assistance needed by applicants who have been screened by DOMH. Such assistance will include, but not be limited to, arrival or first day orientation and coordination with DOMH supportive services staff to facilitate the move in.
12. MVRDIILP will provide on-site office space for DOMH supportive services staff to conduct individual and confidential meetings with MHSA unit occupants.
13. MVRDIILP and BMI together will actively collaborate with DOMH programs, including the Homeless & Housing Opportunities, Partnership and Education program (hereinafter "HHOPE") and supportive service provider(s) to support tenants, resolve issues as they emerge and at quarterly monitoring meetings to insure that services and supports consistent with the provisions of the AGREEMENT are provided.

B. DOMH RESPONSIBILITIES.

1. DOMH will screen for MHSA housing eligibility for all candidates referred for housing from DOMH programs or by MVRDIILP to DOMH, through the services of BMI.
2. DOMH program provider(s) will provide on-site full-service supportive services to PROJECT MHSA tenants for the duration that MVRDIILP provides MHSA affordable supportive housing units; one full-time equivalent (FTE) provider (40 hours a week) shall be dedicated to support MHSA unit tenants. Services will include intensive case management, education, training and support of life skills development, direct provision or linkage to vocational and educational services, active linkage to medical care, mental health treatment that includes psychiatric and medication services, transportation, social and community building activities, peer support, 24/7 tenant support and community based activities and supports that will promote tenant self-sufficiency and community integration.
3. DOMH program provider shall be affiliated with DOMH full-service partnership programs designed to meet the need of the MHSA consumer/tenant age group: transition age youth (ages 18 – 25 and emancipated minors), adult (ages 55-59) and older adult (age 60 and over).
4. DOMH HHOPE will establish and maintain a centralized certification of eligibility for MHSA housing process and waiting list of certified applicants.
5. DOMH and HHOPE will be responsible for insuring that coordination and implementation of provisions of the AGREEMENT are achieved and maintained. This includes coordinating quarterly meetings and collaborating with MVRDIILP and BMI to develop PROJECT policies and procedures as issues emerge. HHOPE shall provide 24/7 support to PROJECT property manager to facilitate timely resolution of tenant issues and to insure effective coordination with DOMH program provider(s).
6. DOMH shall be responsible for recording, tracking and reporting all PROJECT performance outcome data to State Department of Mental Health as required.

III. PRIOR DOMH APPROVAL

MVRDIILP shall keep DOMH fully informed of all items (i.e. services, schedules, etc.) related to the construction process. DOMH shall be able to review and approve all special needs and accommodation plans relevant to the needs of MHSA tenants.

IV. TERM OF AGREEMENT

The term of this AGREEMENT shall be for a period of 20 years commencing upon the date of Certificate of Occupancy and/or the execution by the Riverside County Board of Supervisors, all of documents relating to PROJECT, including this AGREEMENT, and all other related documents with attachments between DOMH and MVRDIILP, whichever is later. For the 20- year period of this AGREEMENT, all applicable Parties agree that this document will be renewed annually by mutual, written consent and signatures by all Parties involved.

V. REIMBURSEMENT/PAYMENT

MVRDIILP and the DOMH agree that there will be no exchange and/or receipt of payment from or to MVRDIILP, BMI or the DOMH associated with or for the fulfillment and performance of the duties and responsibilities specifically and expressly outlined in this AGREEMENT. However, MHSA funds expressly mentioned and/or outlined in this AGREEMENT will be utilized by MVRDIILP, on behalf of DOMH, as operating subsidies for the PROJECT.

VI. TERMINATION OF THE AGREEMENT

Either party may terminate this Agreement immediately upon breach of the Agreement by the other party, provided written notice of such breach is given and the notified party fails to cure such breach to the reasonable satisfaction of the noticing party within thirty (30) days of delivery of the notice of breach, or such extended period as is necessary to cure the breach. Such termination by the noticing party shall be effective at the end of the cure period if no cure has been affected. In addition, the following occurrences will give DOMH the right to terminate this Agreement:

- A. In the event a petition for the adjudication of MVRDIILP is filed for voluntary or involuntary bankruptcy, which is not dismissed within sixty (60) days.
- B. In the event that MVRDIILP makes a general assignment or MVRDIILP interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.
- C. In the event of abandonment of the PROPERTY by MVRDIILP.
- D. In the event project is terminated and terms of the agreement are not met after expiration of the applicable cure period.

VII. FINANCIAL RECORDS

- A. The MVRDIILP shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities in accordance with State and Federal requirements. All records shall be open to inspection and may be audited by the authorized representatives of DOMH, and any State and/or Federal governing agencies.

- B. All financial records, supporting documents, statistical records, and all other records pertaining to the use of the funds provided under this AGREEMENT shall be retained collectively by DOMH, MVRDIILP and BMI for a period of twenty five (25) years, at a minimum, and shall be made available for audit by County, State or Federal representatives as necessary. In the event of litigation, claim or audit, the records shall be retained until all litigation, claims and audit findings involving the records, have been fully resolved. The twenty five (25) year period commences upon issuance of certificate of occupancy to MVRDIILP. Exceptions to the twenty five (25) year retention period will be made if County, State, and/or Federal laws mandate a longer retention period.

VIII. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

- A. MVRDIILP and BMI in this AGREEMENT are subject to all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto. MVRDIILP and BMI hereto agree to cooperate in accordance with the terms and intent of this AGREEMENT for implementation of relevant law(s) and/or regulation(s) promulgated under this Law. The MVRDIILP and BMI further agrees that it shall be in compliance, and shall remain in compliance with the requirements of HIPAA, and the laws and regulations promulgated subsequent hereto, as may be amended from time to time.

All privacy complaints should be referred to:
Riverside County Dept. of Mental Health
Attn: Mary Stetkevich
4060A County Circle Drive
Riverside, CA 92503
(951) 358-4521

B. CONFIDENTIALITY

MVRDIILP and BMI agrees to maintain the confidentiality of all mental health and/or substance abuse client information in accordance with all applicable Federal, State and local laws and regulations. MVRDIILP and BMI will ensure that names, addresses, phone numbers, and any other individually identifiable information concerning mental health and/or substance abuse clients and the services they may be receiving are kept confidential. Applicable confidentiality laws include, but may not be limited to, California Welfare & Institution Code, Section 5328 through 5330, inclusive, 45 CFR Section 205.50, 42 CFR-Chapter 1-Part 2. The DOMH will notify the DOMH Compliance Officer of any breach of applicable confidential laws referenced herein.

IX. ALTERATION OF TERMS AND ENTIRE AGREEMENT

- A. The body of this AGREEMENT along with all incorporated Attachments fully expresses all understandings of the parties concerning all matters covered and

shall constitute the total AGREEMENT. No addition to, or alteration of, the terms of this AGREEMENT, whether by written or verbal understanding of the parties, their officers, agents, or employees, shall be valid unless made in the form of a written amendment to this AGREEMENT, which is formally approved and executed by DOMH, MVRDIILP and BMI.

- B. All notices pertaining to this AGREEMENT shall be sent to the following:

Department of Mental Health
Maria Marquez, Mental Health Services Administrator
HHOPE Program
769 West Blaine, Suite B
Riverside, CA 92507
Tel: (951) 358 - 4523 Fax: (951) 538 - 5850
e-mail: mimarquez@rcmhd.org

Barker Management Incorporated
1101 East Orangewood Avenue, Suite 200
Anaheim, CA 92805 - 6809
Tel: (714) 533 - 3450 Fax: (714) 533 - 8608
e-mail: pbarker@barkermgt.com

Palm Desert Development Company, Administrative General Partner
for MV Rancho Dorado II Limited Partnership
P. O. Box 3958
44-139 Monterey Avenue
Palm Desert, CA 92261
Tel (760) 568 - 1048 Fax: (760) 568 - 9761
e-mail: dhorn@pddc.net

IX. MISCELLANEOUS PROVISIONS

- A. **ASSIGNMENT:** This AGREEMENT shall not be assigned by MVRDIILP and BMI, either in whole or in part, without prior written consent for DOMH. Any assignment or purported assignment of this AGREEMENT by MVRDIILP and BMI without the prior written consent of DOMH will be deemed void and of no force or effect.
- B. **LICENSE AND CERTIFICATION:** MVRDIILP AND BMI verifies upon execution of this AGREEMENT, possession of a current and valid license in compliance with any local, State, and Federal laws and will be performed by properly trained and licensed staff.
- C. **SEVERABILITY:** If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

- D. COMPLIANCE: MVRDIILP and BMI warrants and certifies that, in the performance of this AGREEMENT, they shall comply with all applicable laws, rules, regulations and orders of the United States, the State of California, and the County of Riverside, including the laws and regulations pertaining to labor, wages, hours and other conditions of employment. MVRDIILP and BMI further warrants and certifies that it shall comply with new, amended, or revised laws, regulations and/or procedures that apply to the performance of this AGREEMENT.
- E. HOLD HARMLESS-INDEPENDENT MVRDIILP AND BMI: It is understood and agreed by both parties that MVRDIILP AND BMI are both independent entities and that no relationship of employer-employee exists between the parties hereto outside or what is explicitly declared and outlined in this AGREEMENT. MVRDIILP and BMI shall not be entitled to any benefits payable to employees of DOMH, including County Workers' Compensation Benefits. DOMH is not required to make any deductions from the compensation payable to MVRDIILP and BMI under the provisions of this AGREEMENT; and as an independent entity, MVRDIILP and BMI hereby hold DOMH harmless from any and all claims that may be made against DOMH based upon any contention by any third party that an employer-employee relationship exists by reason of this AGREEMENT.

XI. INSURANCE-INDEMNIFICATION

- A. MVRDIILP and BMI shall indemnify and hold DOMH, its officers, agents and employees, free and harmless from any liability whatsoever, including wrongful death, based or asserted upon any acts or omission of MVRDIILP and/or BMI, relating to or in any way connected with or arising from the accomplishment of the work by MVRDIILP and/or BMI.
- B. Without limiting the BMI and MVRDIILP's indemnification of the County, BMI and MVRDIILP shall maintain in force at all times during the per during the performance of this AGREEMENT, insurance policies or a program of self-insurance evidencing coverage during the entire term of the AGREEMENT as follows:
1. General Liability insurance in the amount of not less than \$1,000,000 per occurrence and aggregate, when MVRDIILP/BMI performs any professional services;
 2. Workers' Compensation insurance in accordance with statutory requirements; and
 3. If motor vehicles are used pursuant to this AGREEMENT, no less than \$1,000,000 combined single limit for damage to property and injury to persons.

XII. JURISDICTION, VENUE, ATTORNEY'S FEES

Should a dispute arise pertaining to this AGREEMENT, it is to be construed under the laws of the State of California. The all parties agree to the jurisdiction and venue of the appropriate courts in the County of Riverside, State of California. Should action be brought to enforce or interpret the provisions of the AGREEMENT, the prevailing party shall be entitled to attorney's fees in addition to whatever other relief is granted.


XIII. SIGNATORIES

MVRDILP, BMI and DOMH mutually agree to fully and faithfully perform all applications set forth in this AGREEMENT. All parties agree to have their duly authorized signatories sign this AGREEMENT.


IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in the County of Riverside, State of California.

MV RANCHO DORADO II LIMITED PARTNERSHIP, a California limited partnership

Palm Desert Development Company, a California corporation, its administrative general partner

By:  9-22-10
 Danavon L. Horn, President Date


BARKER MANAGEMENT, INCORPORATED, a California corporation

By:  9-30-10
 Peter Barker, President Date

COUNTY OF RIVERSIDE

By: Bob Buster, Chairman _____ Date _____
 Riverside County Board of Supervisors
 for the Department of Mental Health

Attest: Kisha Harper-Ihem, Clerk of the Board _____ Date _____
 County of Riverside

FORM APPROVED COUNTY COUNSEL
 BY:  9/7/10
 NEAL R. KIPNIS DATE

COOPERATIVE AGREEMENT

PARTIES:

**COUNTY OF RIVERSIDE,
DEPARTMENT OF MENTAL HEALTH**

AND

**BARKER MANAGEMENT INCORPORATED &
MENIFEE VINEYARDS LIMITED PARTNERSHIP**

TYPE OF SERVICE:

**MANAGEMENT OF FIFTEEN UNITS OF
SUPPORTIVE PERMANENT HOUSING WITHIN
AN AFFORDABLE HOUSING PROJECT KNOWN
AS THE VINEYARDS AT MENIFEE**

THIS COOPERATIVE AGREEMENT, herein after referred to as AGREEMENT, is entered into by and between the County of Riverside (hereinafter "COUNTY"), on behalf of its Department of Mental Health (hereinafter "DOMH), and Barker Management Incorporated (hereinafter "BMI") and is concurred to by Menifee Vineyards Limited Partnership (hereinafter "MVLP") for the management of fifteen units of supportive housing within an 80 unit affordable senior housing project known as The Vineyards at Menifee, hereinafter referred to as the PROJECT; and is based on the following representations and statements of purpose:

WHEREAS, the California State Department of Mental Health ("State DMH") has allocated \$133,333,700 in Mental Health Services Act (MHSA) funds statewide to develop supportive permanent housing for extremely low-income people with psychiatric disabilities or serious emotional disturbance; and

WHEREAS, the State of California Department of Mental Health has allocated a maximum of \$19,077,100 of MHSA Funding to Riverside County to invest in housing development for adults, transition age youth, and children and families who are eligible to be served in DOMH designated Full Service Partnership type programs due to experiencing serious psychiatric disabilities and/or emotional disturbance and are homeless, at risk of homelessness and/or have been inadequately or ineffectively served in traditional treatment which has resulted in repeated psychiatric hospitalizations or incarcerations related to ineffectively treated illness(es); and

WHEREAS, the DOMH seeks to expand the supply of acceptable, affordable housing for eligible adults, transition age youth, and children and families with low and very-low qualifying incomes through an agreement with MVLP; and

WHEREAS, MVLP will agree under a separate AGREEMENT to receive construction funding to perform construction and related activities as described herein; and

WHEREAS, MVLP has entered into an AGREEMENT with BMI to manage the development and carry out the performance of MVLP's responsibilities described herein as it relates to the maintenance of the PROJECT and leasing of the MHSA supportive permanent

housing units;

NOW, THEREFORE, the COUNTY, MVLP and BMI mutually agree as follows:

I. GENERAL STATEMENT OF INTENT:

The PROJECT to be developed will be located at the northeast corner of Newport Road and Winter Hark Road in the City of Menifee, California.

The PROJECT shall consist of a total of eighty (80) multi-family affordable senior housing units plus a manager's unit. A total of sixty five (65) units will be affordable general population units and fifteen (15) shall be set-aside for DOMH consumers certified to be eligible for MHSA supportive permanent housing units. During the affordability period of not less than 20 years, the initial, qualifying income of eligible MHSA tenants shall be equal to or less than thirty percent (30%) of the area median income as specified by the DOMH.

The PROJECT shall include the following: one (1) and (2) bedroom rental units along with an on-site community center that will include a computer room, game room, activity room, laundry facilities, personal services coordinator office and manager's unit. Common areas will include a pool and spa, exercise circuit and golf putting green and landscaping.

MVLP and DOMH have mutually agreed to jointly develop and submit to State DMH and California Housing Finance Agency the MHSA Housing Fund Application for capital development and operating subsidy funding in a total grant award amount not to exceed \$ 2,800,000, which includes \$ 1,500,000 for capital development and \$ 1,300,000 to provide operating subsidies for the MHSA units in the PROJECT.

II. DUTIES AND RESPONSIBILITIES:

A. MVLP RESPONSIBILITIES. The responsibility of constructing, operating and maintaining the PROJECT will be the sole responsibility of MVLP and shall be carried out through the services of BMI.

1. MVLP, through the services of BMI, will maintain and operate all units of the PROJECT, consisting of a total of eighty (80) multi-family affordable senior housing units plus a manager's unit, of which sixty five (65) will be affordable general population units for seniors, and fifteen (15) shall be set-aside for DOMH consumers certified to be eligible for MHSA supportive permanent housing units. During the affordability period of not less than 20 years as defined herein, the DOMH, BMI and MVLP all mutually agree that the initial qualifying income of eligible MHSA tenants shall be equal to or less than thirty percent (30%) of the area median income.
2. BMI will maintain all common grounds of the PROJECT. This includes outside and inside fixtures, walls and other such common areas that are

not regarded as part of or under the control of the occupant's possession.

3. BMI is responsible for general housekeeping of the common grounds.
4. BMI will comply with all applicable licensing regulations.
5. MVLP will dedicate fifteen undesignated units that will be located throughout the PROJECT for pre-certified candidates of DOMH.
6. All candidates seeking MHSA set-aside occupancy into the PROJECT who are not directly referred by DOMH will be sent to DOMH by BMI for screening. This includes candidates applying directly to MVLP, BMI or at the PROJECT.
7. BMI will be responsible for developing and conducting PROJECT marketing in accordance with funding and Fair Housing access provisions.
8. BMI will be responsible for consistent application of Tenant Selection criteria that is in accordance with all applicable Fair Housing provisions and/or applicable project funder(s) requirements when considering tenancy for all MHSA housing unit applicants.
9. BMI will develop Tenant Selection criteria in partnership with DOMH that are consistent with applicable Fair Housing provisions. This includes a notification, appeal and reasonable accommodation process for candidates denied tenancy.
10. BMI will immediately notify DOMH in the event of an MHSA unit occupant leaving the PROJECT for any reason.
11. BMI will provide assistance needed by applicants who have been screened by DOMH. Such assistance will include, but not be limited to, arrival or first day orientation and coordination with DOMH supportive services staff to facilitate the move in.
12. MVLP will provide on-site office space for DOMH supportive services staff to conduct individual and confidential meetings with MHSA unit occupants.
13. MVLP and BMI together will actively collaborate with DOMH programs, including the Homeless & Housing Opportunities, Partnership and Education program (hereinafter "HHOPE") and supportive service provider(s) to support tenants, resolve issues as they emerge and at quarterly monitoring meetings to insure that services and supports consistent with the provisions of the AGREEMENT are provided.

B. DOMH RESPONSIBILITIES.

1. DOMH will screen for MHSA housing eligibility for all candidates referred for housing from DOMH programs or by MVLP to DOMH, through the services of BMI.
2. DOMH program provider(s) will provide on-site full-service supportive services to PROJECT MHSA tenants for the duration that MVLP provides MHSA affordable supportive housing units; one full-time equivalent (FTE) provider (40 hours a week) shall be dedicated to support MHSA unit tenants. Services will include intensive case management, education, training and support of life skills development, direct provision or linkage to vocational and educational services, active linkage to medical care, mental health treatment that includes psychiatric and medication services, transportation, social and community building activities, peer support, 24/7 tenant support and community based activities and supports that will promote tenant self-sufficiency and community integration.
3. DOMH program provider shall be affiliated with DOMH full-service partnership programs designed to meet the need of the MHSA consumer/tenant age group: transition age youth (ages 18 – 25 and emancipated minors), adult (ages 55-59) and older adult (age 60 and over).
4. DOMH HHOPE will establish and maintain a centralized certification of eligibility for MHSA housing process and waiting list of certified applicants.
5. DOMH and HHOPE will be responsible for insuring that coordination and implementation of provisions of the AGREEMENT are achieved and maintained. This includes coordinating quarterly meetings and collaborating with MVLP and BMI to develop PROJECT policies and procedures as issues emerge. HHOPE shall provide 24/7 support to PROJECT property manager to facilitate timely resolution of tenant issues and to insure effective coordination with DOMH program provider(s).
6. DOMH shall be responsible for recording, tracking and reporting all PROJECT performance outcome data to State Department of Mental Health as required.

III. PRIOR DOMH APPROVAL

MVLP shall keep DOMH fully informed of all items (i.e. services, schedules, etc.) related to the construction process. DOMH shall be able to review and approve all special needs and accommodation plans relevant to the needs of MHSA tenants.

IV. TERM OF AGREEMENT

The term of this AGREEMENT shall be for a period of 20 years commencing upon the date of Certificate of Occupancy and/or the execution by the Riverside County Board of Supervisors, all of documents relating to PROJECT, including this AGREEMENT, and

all other related documents with attachments between DOMH and MVLP, whichever is later. For the 20- year period of this AGREEMENT, all applicable Parties agree that this document will be renewed annually by mutual, written consent and signatures by all Parties involved.

V. REIMBURSEMENT/PAYMENT

MVLP and the DOMH agree that there will be no exchange and/or receipt of payment from or to MVLP, BMI or the DOMH associated with or for the fulfillment and performance of the duties and responsibilities specifically and expressly outlined in this AGREEMENT. However, MHSA funds expressly mentioned and/or outlined in this AGREEMENT will be utilized by MVLP, on behalf of DOMH, as operating subsidies for the PROJECT.

VI. TERMINATION OF THE AGREEMENT

Either party may terminate this Agreement immediately upon breach of the Agreement by the other party, provided written notice of such breach is given and the notified party fails to cure such breach to the reasonable satisfaction of the noticing party within thirty (30) days of delivery of the notice of breach, or such extended period as is necessary to cure the breach. Such termination by the noticing party shall be effective at the end of the cure period if no cure has been affected. In addition, the following occurrences will give DOMH the right to terminate this Agreement:

- A. In the event a petition for the adjudication of MVLP is filed for voluntary or involuntary bankruptcy, which is not dismissed within sixty (60) days.
- B. In the event that MVLP makes a general assignment or MVLP interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.
- C. In the event of abandonment of the PROJECT by MVLP.
- D. In the event project is terminated and terms of the agreement are not met after expiration of the applicable cure period.

VII. FINANCIAL RECORDS

- A. The MVLP shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities in accordance with State and Federal requirements. All records shall be open to inspection and may be audited by the authorized representatives of DOMH, and any State and/or Federal governing agencies.
- B. All financial records, supporting documents, statistical records, and all other records pertaining to the use of the funds provided under this AGREEMENT shall be retained collectively by DOMH, MVLP and BMI for a period of twenty five (25) years, at a minimum, and shall be made available for audit by County, State or Federal representatives as necessary. In the event of litigation, claim or audit,

the records shall be retained until all litigation, claims and audit findings involving the records, have been fully resolved. The twenty five (25) year period commences upon issuance of certificate of occupancy to MVLP. Exceptions to the twenty five (25) year retention period will be made if County, State, and/or Federal laws mandate a longer retention period.

VIII. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

- A. MVLP and BMI in this AGREEMENT are subject to all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto. MVLP and BMI hereto agree to cooperate in accordance with the terms and intent of this AGREEMENT for implementation of relevant law(s) and/or regulation(s) promulgated under this Law. The MVLP and BMI further agrees that it shall be in compliance, and shall remain in compliance with the requirements of HIPAA, and the laws and regulations promulgated subsequent hereto, as may be amended from time to time.

All privacy complaints should be referred to:
Riverside County Dept. of Mental Health
Attn: Mary Stetkevich
4060A County Circle Drive
Riverside, CA 92503
(951) 358-4521

B. **CONFIDENTIALITY**

MVLP and BMI agrees to maintain the confidentiality of all mental health and/or substance abuse client information in accordance with all applicable Federal, State and local laws and regulations. MVLP and BMI will ensure that names, addresses, phone numbers, and any other individually identifiable information concerning mental health and/or substance abuse clients and the services they may be receiving are kept confidential. Applicable confidentiality laws include, but may not be limited to, California Welfare & Institution Code, Section 5328 through 5330, inclusive, 45 CFR Section 205.50, 42 CFR-Chapter 1-Part 2. The DOMH will notify the DOMH Compliance Officer of any breach of applicable confidential laws referenced herein.

IX. ALTERATION OF TERMS AND ENTIRE AGREEMENT

- A. The body of this AGREEMENT along with all incorporated Attachments fully expresses all understandings of the parties concerning all matters covered and shall constitute the total AGREEMENT. No addition to, or alteration of, the terms of this AGREEMENT, whether by written or verbal understanding of the parties, their officers, agents, or employees, shall be valid unless made in the form of a written amendment to this AGREEMENT, which is formally approved and executed by DOMH, MVLP and BMI.

- B. All notices pertaining to this AGREEMENT shall be sent to the following:

Department of Mental Health
Maria Marquez, Mental Health Services Administrator
HHOPE Program
769 West Blaine, Suite B
Riverside, CA 92507
Tel: (951) 358 - 4523 Fax: (951) 538 - 5850
e-mail: mimarquez@rcmhd.org

Barker Management Incorporated
1101 East Orangewood Avenue, Suite 200
Anaheim, CA 92805 - 6809
Tel: (714) 533 - 3450 Fax: (714) 533 - 8608
e-mail: pbarker@barkermgt.com

Palm Desert Development Company, Administrative General Partner
for Menifee Vineyards Limited Partnership
P. O. Box 3958
44-139 Monterey Avenue
Palm Desert, CA 92261
Tel (760) 568 - 1048 Fax: (760) 568 - 9761
e-mail: dhorn@pddc.net

IX. MISCELLANEOUS PROVISIONS

- A. **ASSIGNMENT:** This AGREEMENT shall not be assigned by MVLP and BMI, either in whole or in part, without prior written consent for DOMH. Any assignment or purported assignment of this AGREEMENT by MVLP and BMI without the prior written consent of DOMH will be deemed void and of no force or effect.
- B. **LICENSE AND CERTIFICATION:** MVLP AND BMI verifies upon execution of this AGREEMENT, possession of a current and valid license in compliance with any local, State, and Federal laws and will be performed by properly trained and licensed staff.
- C. **SEVERABILITY:** If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
- D. **COMPLIANCE:** MVLP and BMI warrants and certifies that, in the performance of this AGREEMENT, they shall comply with all applicable laws, rules, regulations and orders of the United States, the State of California, and the County of Riverside, including the laws and regulations pertaining to labor, wages, hours and other conditions of employment. MVLP and BMI further

warrants and certifies that it shall comply with new, amended, or revised laws, regulations and/or procedures that apply to the performance of this AGREEMENT.

- E. **HOLD HARMLESS-INDEPENDENT MVLP AND BMI:** It is understood and agreed by both parties that MVLP AND BMI are both independent entities and that no relationship of employer-employee exists between the parties hereto outside or what is explicitly declared and outlined in this AGREEMENT. MVLP and BMI shall not be entitled to any benefits payable to employees of DOMH, including County Workers' Compensation Benefits. DOMH is not required to make any deductions from the compensation payable to MVLP and BMI under the provisions of this AGREEMENT; and as an independent entity, MVLP and BMI hereby hold DOMH harmless from any and all claims that may be made against DOMH based upon any contention by any third party that an employer-employee relationship exists by reason of this AGREEMENT.

XI. INSURANCE-INDEMNIFICATION

- A. MVLP and BMI shall indemnify and hold DOMH, its officers, agents and employees, free and harmless from any liability whatsoever, including wrongful death, based or asserted upon any acts or omission of MVLP and/or BMI, relating to or in any way connected with or arising from the accomplishment of the work by MVLP and/or BMI.
- B. Without limiting BMI and MVLP's indemnification of the County, BMI and MVLP shall maintain in force at all times during the per during the performance of this AGREEMENT, insurance policies or a program of self-insurance evidencing coverage during the entire term of the AGREEMENT as follows:
1. General Liability insurance in the amount of not less than \$1,000,000 per occurrence and aggregate, when MVLP/BMI performs any professional services;
 2. Workers' Compensation insurance in accordance with statutory requirements; and
 3. If motor vehicles are used pursuant to this AGREEMENT, no less than \$1,000,000 combined single limit for damage to property and injury to persons.

XII. JURISDICTION, VENUE, ATTORNEY'S FEES

Should a dispute arise pertaining to this AGREEMENT, it is to be construed under the laws of the State of California. The all parties agree to the jurisdiction and venue of the appropriate courts in the County of Riverside, State of California. Should action be brought to enforce or interpret the provisions of the AGREEMENT, the prevailing party shall be entitled to attorney's fees in addition to whatever other relief is granted.


XIII. SIGNATORIES

MVLP, BMI and DOMH mutually agree to fully and faithfully perform all applications set forth in this AGREEMENT. All parties agree to have their duly authorized signatories sign this AGREEMENT.


IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in the County of Riverside, State of California.

MENIFEE VINEYARDS LIMITED PARTNERSHIP, a California limited partnership

Palm Desert Development Company, a California corporation, its administrative general partner

By:  12/27/10
Danavon L. Horn, President Date

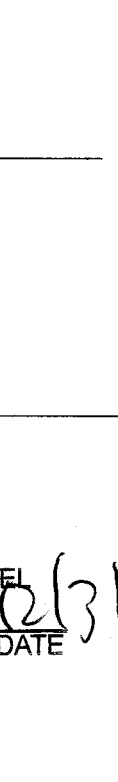
BARKER MANAGEMENT, INCORPORATED, a California corporation

By:  12-31-10
Peter Barker, President Date

COUNTY OF RIVERSIDE

By: Bob Buster, Chairman _____ Date _____
Riverside County Board of Supervisors
for the Department of Mental Health

Attest: Kisha Harper-Ihem, Clerk of the Board _____ Date _____
County of Riverside

FORM APPROVED COUNTY COUNSEL
BY:  2/3/10
NEAL R. KIPNIS DATE

COOPERATIVE AGREEMENT

PARTIES: COUNTY OF RIVERSIDE,
DEPARTMENT OF MENTAL HEALTH

AND

**BARKER MANAGEMENT INCORPORATED &
THOUSAND PALMS APARTMENTS LIMITED
PARTNERSHIP**

TYPE OF SERVICE: MANAGEMENT OF FIFTEEN UNITS OF
SUPPORTIVE PERMANENT HOUSING WITHIN
AN AFFORDABLE HOUSING PROJECT KNOWN
AS LEGACY

THIS COOPERATIVE AGREEMENT, herein after referred to as AGREEMENT, is entered into by and between the County of Riverside (hereinafter "COUNTY"), on behalf of its Department of Mental Health (hereinafter "RCDMH"), and Barker Management Incorporated (hereinafter "BMI") and is concurred to by Thousand Palms Apartments Limited Partnership (hereinafter "TPALP") for the management of fifteen units of supportive housing within an 81 unit affordable housing project known as Legacy, hereinafter referred to as the PROJECT; and is based on the following representations and statements of purpose:

WHEREAS, the California State Department of Mental Health ("State DMH") has allocated \$133,333,700 in Mental Health Services Act (MHSA) funds statewide to develop supportive permanent housing for extremely low-income people with psychiatric disabilities or serious emotional disturbance; and

WHEREAS, the State of California Department of Mental Health has allocated a maximum of \$19,077,100 of MHSA Funding to Riverside County to invest in housing development for adults, transition age youth, and children and families who are eligible to be served in DOMH designated Full Service Partnership type programs due to experiencing serious psychiatric disabilities and/or emotional disturbance and are homeless, at risk of homelessness and/or have been inadequately or ineffectively served in traditional treatment which has resulted in repeated psychiatric hospitalizations or incarcerations related to ineffectively treated illness(es); and

WHEREAS, the RCDMH seeks to expand the supply of acceptable, affordable housing for eligible adults, transition age youth, and children and families with low and very-low qualifying incomes through an agreement with TPALP; and

WHEREAS, TPALP will agree under a separate AGREEMENT to receive construction funding to perform construction and related activities as described herein; and

WHEREAS, TPALP has entered into an AGREEMENT with BMI to manage the development and carry out the performance of TPALP's responsibilities described herein as it

relates to the maintenance of the PROJECT and leasing of the MHSA supportive permanent housing units;

NOW, THEREFORE, the COUNTY, TPALP and BMI mutually agree as follows:

I. GENERAL STATEMENT OF INTENT:

The PROJECT to be developed will be located on Robert Road, between Del Norte Way and El Centro Way in the unincorporated area of Thousand Palms in the County of Riverside, California.

The PROJECT shall consist of a total of eighty one (81) multi-family affordable housing units, of which sixty six (66) will be affordable general population units, and fifteen (15) shall be set-aside for RCDMH consumers certified to be eligible for MHSA supportive permanent housing units. During the affordability period of not less than 20 years, the initial, qualifying income of eligible MHSA tenants shall be equal to or less than thirty percent (30%) of the area median income as specified by the RCDMH.

The PROJECT shall include the following: one (1), two (2) and three (3) bedroom rental units, tot lots, a swimming pool and splash pad, picnic areas and low-impact cardio walking circuit, a 5,358 square foot community center that will include a computer room, ample meeting space, a kitchen and restrooms. In addition, the units will have assigned carports and there will be coin operated laundry facilities on-site. There will also be confidential office space for supportive services staff to meet with project residents that are participants in the supportive housing program.

TPALP and RCDMH have mutually agreed to jointly develop and submit to State DMH and California Housing Finance Agency the MHSA Housing Fund Application for capital development and operating subsidy funding in a total grant award amount not to exceed \$3,000,000, which includes a categorical maximum of \$ 1,622,400 for capital development and up to \$1,377,600 to provide operating subsidies for the MHSA units in the PROJECT.

II. DUTIES AND RESPONSIBILITIES:

A. TPALP RESPONSIBILITIES. The responsibility of constructing, operating and maintaining the PROJECT will be the sole responsibility of TPALP and shall be carried out through the services of BMI.

1. TPALP, through the services of BMI, will maintain and operate all units of the PROJECT, a total eighty one (81) multi-family affordable housing units, of which sixty six (66) will be affordable general population units, and fifteen (15) shall be set-aside for RCDMH consumers certified to be eligible for MHSA supportive permanent housing units. During the affordability period of not less than 20 years as defined herein, the RCDMH, BMI and TPALP all mutually agree that the initial qualifying income of eligible MHSA tenants shall be equal to or less than thirty percent (30%) of the area median income.

2. BMI will maintain all common grounds of the PROJECT. This includes outside and inside fixtures, walls and other such common areas that are not regarded as part of or under the control of the occupant's possession.
3. BMI is responsible for general housekeeping of the common grounds.
4. BMI will comply with all applicable licensing regulations.
5. TPALP will dedicate fifteen undesignated units that will be located throughout the PROJECT for pre-certified candidates of RCDMH.
6. All candidates seeking MHPA set-aside occupancy into the PROJECT who are not directly referred by RCDMH will be sent to RCDMH by BMI for screening. This includes candidates applying directly to TPALP, BMI or at the PROJECT.
7. BMI will be responsible for developing and conducting PROJECT marketing in accordance with funding and Fair Housing access provisions.
8. BMI will be responsible for consistent application of Tenant Selection criteria that is in accordance with all applicable Fair Housing provisions and/or applicable project funder(s) requirements when considering tenancy for all MHPA housing unit applicants.
9. BMI will develop Tenant Selection criteria in partnership with RCDMH that are consistent with applicable Fair Housing provisions. This includes a notification, appeal and reasonable accommodation process for candidates denied tenancy.
10. BMI will immediately notify RCDMH in the event of an MHPA unit occupant leaving the PROJECT for any reason.
11. BMI will provide assistance needed by applicants who have been screened by RCDMH. Such assistance will include, but not be limited to, arrival or first day orientation and coordination with RCDMH supportive services staff to facilitate the move in.
12. TPALP will provide on-site office space for RCDMH supportive services staff to conduct individual and confidential meetings with MHPA unit occupants.
13. TPALP and BMI together will actively collaborate with RCDMH programs, including the Homeless/Housing Opportunity, Partnership and Education (hereinafter "HHOPE") and supportive service provider(s) to support tenants, resolve issues as they emerge and at quarterly monitoring meetings to insure that services and supports consistent with the provisions of the AGREEMENT are provided.

B. RCDMH RESPONSIBILITIES.

1. RCDMH will screen for MHSA housing eligibility for all candidates referred for housing from RCDMH programs or by TPALP to RCDMH, through the services of BMI.
2. RCDMH program provider(s) will provide on-site full-service supportive services to PROJECT MHSA tenants for the duration that TPALP provides MHSA affordable supportive housing units; one full-time equivalent (FTE) provider (40 hours a week) shall be dedicated to support MHSA unit tenants. Services will include intensive case management, education, training and support of life skills development, direct provision or linkage to vocational and educational services, active linkage to medical care, mental health treatment that includes psychiatric and medication services, transportation, social and community building activities, peer support, 24/7 tenant support and community based activities and supports that will promote tenant self-sufficiency and community integration.
3. RCDMH program provider shall be affiliated with RCDMH full-service programs designed to meet the need of the MHSA consumer/tenant age group: transition age youth (ages 16 – 24 and emancipated minors), adult (ages 25-59) and older adult (age 60 and over).
4. RCDMH HHOPE will establish and maintain a centralized certification of eligibility for MHSA housing process and waiting list of certified applicants.
5. RCDMH HHOPE will be responsible for insuring that coordination and implementation of provisions of the AGREEMENT are achieved and maintained. This includes coordinating quarterly meetings and collaborating with TPALP and BMI to develop PROJECT policies and procedures as issues emerge. HHOPE shall provide 24/7 support to PROJECT property manager to facilitate timely resolution of tenant issues and to insure effective coordination with RCDMH program provider(s).
6. RCDMH shall be responsible for recording, tracking and reporting all PROJECT performance outcome data to State Department of Mental Health as required.

III. PRIOR RCDMH APPROVAL

TPALP shall keep RCDMH fully informed of all items (i.e. services, schedules, etc.) related to the construction process. RCDMH shall be able to review and approve all special needs and accommodation plans relevant to the needs of MHSA tenants.

IV. TERM OF AGREEMENT

The term of this AGREEMENT shall be for a period of 20 years commencing upon the date of Certificate of Occupancy and/or the execution by the Riverside County Board of Supervisors, all of documents relating to PROJECT, including this AGREEMENT, and all other related documents with attachments between RCDMH and TPALP, whichever is later. For the 20- year period of this AGREEMENT, all applicable Parties agree that this document will be renewed annually by mutual, written consent and signatures by all Parties involved.

V. REIMBURSEMENT/PAYMENT

TPALP and the RCDMH agree that there will be no exchange and/or receipt of payment from or to TPALP, BMI or the RCDMH associated with or for the fulfillment and performance of the duties and responsibilities specifically and expressly outlined in this AGREEMENT. However, MHSA funds expressly mentioned and/or outlined in this AGREEMENT will be utilized by TPALP, on behalf of RCDMH, as operating subsidies for the PROJECT.

VI. TERMINATION OF THE AGREEMENT

Either party may terminate this Agreement immediately upon breach of the Agreement by the other party, provided written notice of such breach is given and the notified party fails to cure such breach to the reasonable satisfaction of the noticing party within thirty (30) days of delivery of the notice of breach, or such extended period as is necessary to cure the breach. Such termination by the noticing party shall be effective at the end of the cure period if no cure has been affected. In addition, the following occurrences will give RCDMH the right to terminate this Agreement:

- A. In the event a petition for the adjudication of TPALP is filed for voluntary or involuntary bankruptcy, which is not dismissed within sixty (60) days.
- B. In the event that TPALP makes a general assignment or TPALP interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.
- C. In the event of abandonment of the PROPERTY by TPALP.
- D. In the event project is terminated and terms of the agreement are not met after expiration of the applicable cure period.

VII. FINANCIAL RECORDS

- A. The TPALP shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities in accordance with State and Federal requirements. All records shall be open to inspection and may be audited by the authorized representatives of RCDMH, and any State and/or Federal governing agencies.

- B. All financial records, supporting documents, statistical records, and all other records pertaining to the use of the funds provided under this AGREEMENT shall be retained collectively by RCDMH, TPALP and BMI for a period of twenty five (25) years, at a minimum, and shall be made available for audit by County, State or Federal representatives as necessary. In the event of litigation, claim or audit, the records shall be retained until all litigation, claims and audit findings involving the records, have been fully resolved. The twenty five (25) year period commences upon issuance of certificate of occupancy to TPALP. Exceptions to the twenty five (25) year retention period will be made if County, State, and/or Federal laws mandate a longer retention period.

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- A. TPALP and BMI in this AGREEMENT are subject to all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto. TPALP and BMI hereto agree to cooperate in accordance with the terms and intent of this AGREEMENT for implementation of relevant law(s) and/or regulation(s) promulgated under this Law. The TPALP and BMI further agrees that it shall be in compliance, and shall remain in compliance with the requirements of HIPAA, and the laws and regulations promulgated subsequent hereto, as may be amended from time to time.

All privacy complaints should be referred to:
Riverside County Dept. of Mental Health
Attn: HIPAA Compliance Officer
4060A County Circle Drive
Riverside, CA 92503
(951) 358-4521

B. CONFIDENTIALITY

TPALP and BMI agrees to maintain the confidentiality of all mental health and/or substance abuse client information in accordance with all applicable Federal, State and local laws and regulations. TPALP and BMI will ensure that names, addresses, phone numbers, and any other individually identifiable information concerning mental health and/or substance abuse clients and the services they may be receiving are kept confidential. Applicable confidentiality laws include, but may not be limited to, California Welfare & Institution Code, Section 5328 through 5330, inclusive, 45 CFR Section 205.50, 42 CFR-Chapter 1-Part 2. The RCDMH will notify the RCDMH Compliance Officer of any breach of applicable confidential laws referenced herein.

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- A. The body of this AGREEMENT along with all incorporated Attachments fully

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- B. All notices pertaining to this AGREEMENT shall be sent to the following:

Department of Mental Health
Maria Marquez, Mental Health Services Administrator
HHOPE Program
769 West Blaine, Suite B
Riverside, CA 92507
Tel: (951) 358 - 4523 Fax: (951) 538 - 5850
e-mail: mimarquez@rcmhd.org

Barker Management Incorporated
1101 East Orangewood Avenue, Suite 200
Anaheim, CA 92805 - 6809
Tel: (714) 533 - 3450 Fax: (714) 533 - 8608
e-mail: pbarker@barkermgt.com

Palm Desert Development Company, Administrative General Partner
for Thousand Palms Apartments Limited Partnership
44139 Monterey Avenue
Palm Desert, CA 92260 - 8700
Tel: (760) 568 - 1048 Fax: (760) 568 - 9761
e-mail: dhorn@pddc.net

Western Community Housing, Inc.
151 Kalmus Drive, Suite J-5
Costa Mesa, CA 92626
Tel: (714) 549 - 4100 Fax: (714) 549 - 4600
e-mail: graham@wchousing.org

X. MISCELLANEOUS PROVISIONS

- A. **ASSIGNMENT:** This AGREEMENT shall not be assigned by TPALP and BMI, either in whole or in part, without prior written consent for RCDMH. Any assignment or purported assignment of this AGREEMENT by TPALP and BMI without the prior written consent of RCDMH will be deemed void and of no force or effect.
- B. **LICENSE AND CERTIFICATION:** TPALP AND BMI verifies upon execution of this AGREEMENT, possession of a current and valid license in compliance with any local, State, and Federal laws and will be performed by properly trained and licensed staff.

- C. SEVERABILITY: If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
- D. COMPLIANCE: TPALP and BMI warrants and certifies that, in the performance of this AGREEMENT, they shall comply with all applicable laws, rules, regulations and orders of the United States, the State of California, and the County of Riverside, including the laws and regulations pertaining to labor, wages, hours and other conditions of employment. TPALP and BMI further warrants and certifies that it shall comply with new, amended, or revised laws, regulations and/or procedures that apply to the performance of this AGREEMENT.
- E. HOLD HARMLESS-INDEPENDENT TPALP AND BMI: Each party (indemnitor) shall defend, indemnify and hold the other parties (indemnitees), its governing board, its officers, its administrators, its agents, its employees, its independent contractors, its subcontractors, consultants, other representatives and employees, free and harmless from any and all liability, claims, demands, costs, losses, damages, or expenses whatsoever, including wrongful death, and also including, but not limited to, consequential damages, loss of use, extra expense, cost of facilities, death, sickness, or injury to any person(s) or damage to any property, based or asserted upon any acts or omission of the indemnitor, relating to or in any way connected with or arising from the accomplishment of the work in whole or in part, the negligent, wrongful or willful acts or omissions of the by the indemnitor, its employees, agents, subcontractors, independent contractors, consultants, or other representatives. Each party further agrees to protect, indemnify and defend at its expense including attorney fees, the indemnitee, its governing board, its officers, its administrators, its agents, its employees, its independent contractors, its subcontractors, consultants, other representatives and employees, in any legal action(s) or claim(s) based upon such alleged acts or omissions whether the subject action(s) or claim(s) are well-founded, properly filed or pleaded, or not commenced in a court of competent jurisdiction. It is understood and agreed by both parties that TPALP AND BMI are both independent entities and that no relationship of employer-employee exists between the parties hereto outside or what is explicitly declared and outlined in this AGREEMENT. TPALP and BMI shall not be entitled to any benefits payable to employees of RCDMH, including County Workers' Compensation Benefits. RCDMH is not required to make any deductions from the compensation payable to TPALP and BMI under the provisions of this AGREEMENT; and as an independent entity, TPALP and BMI hereby hold RCDMH harmless from any and all claims that may be made against RCDMH, its governing board, its officers, its administrators, its agents, its employees, its independent contractors, its subcontractors, consultants, and other representatives based upon any contention by any third party that an employer-employee relationship exists by reason of this AGREEMENT.

XI. INSURANCE-INDEMNIFICATION

- A. TPALP and BMI shall indemnify and hold RCDMH, its officers, agents and employees, free and harmless from any liability whatsoever, including wrongful death, based or asserted upon any acts or omission of TPALP and/or BMI, relating to or in any way connected with or arising from the accomplishment of the work by TPALP and/or BMI.

- B. Without limiting the BMI/TPALP's indemnification of the County, BMI and TPALP shall maintain in force at all times during the per during the performance of this AGREEMENT, insurance policies or a program of self-insurance evidencing coverage during the entire term of the AGREEMENT as follows:
 - 1. General Liability insurance in the amount of not less than \$1,000,000 per occurrence and aggregate, when TPALP/BMI performs any professional services;
 - 2. Workers' Compensation insurance in accordance with statutory requirements; and
 - 3. If motor vehicles are used pursuant to this AGREEMENT, no less than \$1,000,000 combined single limit for damage to property and injury to persons.

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Should a dispute arise pertaining to this AGREEMENT, it is to be construed under the laws of the State of California. The all parties agree to the jurisdiction and venue of the appropriate courts in the County of Riverside, State of California. Should action be brought to enforce or interpret the provisions of the AGREEMENT, the prevailing party shall be entitled to attorney's fees in addition to whatever other relief is granted.

XIII. SIGNATORIES

TPALP, BMI and RCDMH mutually agree to fully and faithfully perform all applications set forth in this AGREEMENT. All parties agree to have their duly authorized signatories sign this AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in the County of Riverside, State of California.

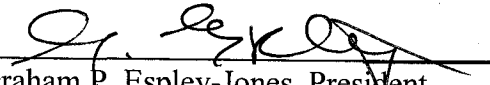
THOUSAND PALMS APARTMENTS LIMITED PARTNERSHIP, a California limited partnership

By: Palm Desert Development Company, a California corporation, its administrative general partner


By:  01/26/11
Danavon L. Horn, President Date

By: WCH Affordable IV, LLC, a California limited liability company, its managing general partner

By: Western Community Housing, Inc. its Sole Member and Manager

By:  1/27/11
Graham P. Espley-Jones, President Date


BARKER MANAGEMENT, INCORPORATED, a California corporation

By:  01/27/2011
Peter Barker, President Date

COUNTY OF RIVERSIDE

By: _____ Date _____
Bob Buster, Chairman
Riverside County Board of Supervisors
for the Department of Mental Health

Attest: _____ Date _____
Kecia Harper-Ihem, Clerk of the Board
County of Riverside

FORM APPROVED COUNTY COUNSEL
BY:  1/25/11
NEAL R. KIPNIS DATE

COOPERATIVE AGREEMENT

PARTIES:

**COUNTY OF RIVERSIDE,
DEPARTMENT OF MENTAL HEALTH**

AND

**USA MULTIFAMILY MANAGEMENT, INC. &
SNOWBERRY SENIOR APARTMENTS LIMITED
PARTNERSHIP**

TYPE OF SERVICE:

**MANAGEMENT OF FIFTEEN UNITS OF
SUPPORTIVE PERMANENT HOUSING WITHIN
AN AFFORDABLE HOUSING PROJECT KNOWN
AS VINTAGE AT SNOWBERRY**

THIS COOPERATIVE AGREEMENT, herein after referred to as AGREEMENT, is entered into by and between the County of Riverside (hereinafter "COUNTY"), on behalf of its Department of Mental Health (hereinafter "DOMH), and USA Multifamily Management, Inc. (hereinafter "USA") and is concurred to by Snowberry Senior Apartments Limited Partnership (hereinafter "SSALP") for the management of fifteen units of supportive housing within a 224 unit affordable housing project known as Vintage at Snowberry, hereinafter referred to as the PROJECT; and is based on the following representations and statements of purpose:

WHEREAS, the California State Department of Mental Health ("State DMH") has allocated \$133,333,700 in Mental Health Services Act (MHSA) funds statewide to develop supportive permanent housing for extremely low-income people with psychiatric disabilities or serious emotional disturbance; and

WHEREAS, the State of California Department of Mental Health has allocated a maximum of \$19,077,100 of MHSA Funding to Riverside County to invest in housing development for adults, transition age youth, and children and families who are eligible to be served in DOMH designated Full Service Partnership type programs due to experiencing serious psychiatric disabilities and/or emotional disturbance and are homeless, at risk of homelessness and/or have been inadequately or ineffectively served in traditional treatment which has resulted in repeated psychiatric hospitalizations or incarcerations related to ineffectively treated illness(es); and

WHEREAS, the DOMH seeks to expand the supply of acceptable, affordable housing for eligible adults, transition age youth, and children and families with low and very-low qualifying incomes through an agreement with SSALP; and

WHEREAS, SSALP will agree under a separate AGREEMENT to receive construction funding to perform construction and related activities as described herein; and

WHEREAS, SSALP has entered into an AGREEMENT with USA to manage the development and carry out the performance of SSALP's responsibilities described herein as it

relates to the maintenance of the PROJECT and leasing of the MHSA supportive permanent housing units;

NOW, THEREFORE, the COUNTY, SSALP and USA mutually agree as follows:

I. GENERAL STATEMENT OF INTENT:

The PROJECT to be developed will be located on Colorado Avenue, south of Arlington Avenue and west of Adams Street in the City of Riverside, California.

The PROJECT shall consist of a total of two hundred twenty-four (224) multi-family affordable housing units, of which two hundred and nine (209) will be affordable general population units, and fifteen (15) shall be set-aside for DOMH consumers certified to be eligible for MHSA supportive permanent housing units. During the affordability period of not less than 20 years, the initial, qualifying income of eligible MHSA tenants shall be equal to or less than thirty percent (30%) of the area median income as specified by the DOMH.

The PROJECT shall include the following: one (1) and two (2) bedroom rental units, a business center, grand room, fitness room, kitchen, laundry facilities, personal services coordinator office, 2 leasing offices with a copier and storage room. Common areas will include a pool and spa, outdoor pool shower and public restrooms, meandering walkways and landscaping.

SSALP and DOMH have mutually agreed to jointly develop and submit to State DMH and California Housing Finance Agency the MHSA Housing Fund Application for capital development and operating subsidy funding in a total grant award amount not to exceed \$2,622,400; which includes a categorical maximum of \$ 1,622,400 for capital development and up to \$1,000,000 for operating subsidies for the PROJECT.

II. DUTIES AND RESPONSIBILITIES:

A. SSALP RESPONSIBILITIES. The responsibility of constructing, operating and maintaining the PROJECT will be the sole responsibility of SSALP and shall be carried out through the services of USA.

1. SSALP, through the services of USA, will maintain and operate all units of the PROJECT, a total of two hundred twenty-four (224) multi-family affordable housing units, of which two hundred and nine (209) will be affordable general population units, and fifteen (15) shall be set-aside for DOMH consumers certified to be eligible for MHSA supportive permanent housing units. During the affordability period of not less than 20 years as defined herein, the DOMH, USA and SSALP all mutually agree that the initial qualifying income of eligible MHSA tenants shall be equal to or less than thirty percent (30%) of the area median income.
2. USA will maintain all common grounds of the PROJECT. This includes outside and inside fixtures, walls and other such common areas that are

- not regarded as part of or under the control of the occupant's possession.
3. USA is responsible for general housekeeping of the common grounds.
 4. USA will comply with all applicable licensing regulations.
 5. SSALP will dedicate fifteen undesignated units that will be located throughout the PROJECT for pre-certified candidates of DOMH.
 6. All candidates seeking MHSA set-aside occupancy into the PROJECT who are not directly referred by DOMH will be sent to DOMH by USA for screening. This includes candidates applying directly to SSALP, USA or at the PROJECT.
 7. USA will be responsible for developing and conducting PROJECT marketing in accordance with funding and Fair Housing access provisions.
 8. USA will be responsible for consistent application of Tenant Selection criteria that is in accordance with all applicable Fair Housing provisions and/or applicable project funder(s) requirements when considering tenancy for all MHSA housing unit applicants.
 9. USA will develop Tenant Selection criteria in partnership with DOMH that are consistent with applicable Fair Housing provisions. This includes a notification, appeal and reasonable accommodation process for candidates denied tenancy.
 10. USA will immediately notify DOMH in the event of an MHSA unit occupant leaving the PROJECT for any reason.
 11. USA will provide assistance needed by applicants who have been screened by DOMH. Such assistance will include, but not be limited to, arrival or first day orientation and coordination with DOMH supportive services staff to facilitate the move in.
 12. SSALP will provide on-site office space for DOMH supportive services staff to conduct individual and confidential meetings with MHSA unit occupants.
 13. SSALP and USA together will actively collaborate with DOMH programs, including the Homeless/Housing Opportunity, Partnership and Education Program (hereinafter "HHOPE") and supportive service provider(s) to support tenants, resolve issues as they emerge and at quarterly monitoring meetings to insure that services and supports consistent with the provisions of the AGREEMENT are provided.

B. DOMH RESPONSIBILITIES.

1. DOMH will screen for MHSA housing eligibility for all candidates referred for housing from DOMH programs or by SSALP to DOMH, through the services of USA.
2. DOMH program provider(s) will provide on-site full-service supportive services to PROJECT MHSA tenants for the duration that SSALP provides MHSA affordable supportive housing units; one full-time equivalent (FTE) provider (40 hours a week) shall be dedicated to support MHSA unit tenants. Services will include intensive case management, education, training and support of life skills development, direct provision or linkage to vocational and educational services, active linkage to medical care, mental health treatment that includes psychiatric and medication services, transportation, social and community building activities, peer support, 24/7 tenant support and community based activities and supports that will promote tenant self-sufficiency and community integration.
3. DOMH program provider shall be affiliated with DOMH full-service programs designed to meet the need of the MHSA consumer/tenant age group: adult (ages 55-59) and older adult (age 60 and over).
4. DOMH HHOPE will establish and maintain a centralized certification of eligibility for MHSA housing process and waiting list of certified applicants.
5. DOMH HHOPE will be responsible for insuring that coordination and implementation of provisions of the AGREEMENT are achieved and maintained. This includes coordinating quarterly meetings and collaborating with SSALP and USA to develop PROJECT policies and procedures as issues emerge. HHOPE shall provide 24/7 support to PROJECT property manager to facilitate timely resolution of tenant issues and to insure effective coordination with DOMH program provider(s).
6. DOMH shall be responsible for recording, tracking and reporting all PROJECT performance outcome data to State Department of Mental Health as required.

III. PRIOR DOMH APPROVAL

SSALP shall keep DOMH fully informed of all items (i.e. services, schedules, etc.) related to the construction process. DOMH shall be able to review and approve all special needs and accommodation plans relevant to the needs of MHSA tenants.

IV. TERM OF AGREEMENT

The term of this AGREEMENT shall be for a period of 20 years commencing upon the date of Certificate of Occupancy and/or the execution by the Riverside County Board of Supervisors, all of documents relating to PROJECT, including this AGREEMENT, and

all other related documents with attachments between DOMH and SSALP, whichever is later. For the 20- year period of this AGREEMENT, all applicable Parties agree that this document will be renewed annually by mutual, written consent and signatures by all Parties involved.

V. REIMBURSEMENT/PAYMENT

SSALP and the DOMH agree that there will be no exchange and/or receipt of payment from or to SSALP, USA or the DOMH associated with or for the fulfillment and performance of the duties and responsibilities specifically and expressly outlined in this AGREEMENT. However, MHSA funds expressly mentioned and/or outlined in this AGREEMENT will be utilized by SSALP, on behalf of DOMH, as operating subsidies for the PROJECT.

VI. TERMINATION OF THE AGREEMENT

Either party may terminate this Agreement immediately upon breach of the Agreement by the other party, provided written notice of such breach is given and the notified party fails to cure such breach to the reasonable satisfaction of the noticing party within thirty (30) days of delivery of the notice of breach, or such extended period as is necessary to cure the breach. Such termination by the noticing party shall be effective at the end of the cure period if no cure has been affected. In addition, the following occurrences will give DOMH the right to terminate this Agreement:

- A. In the event a petition for the adjudication of SSALP is filed for voluntary or involuntary bankruptcy, which is not dismissed within sixty (60) days.
- B. In the event that SSALP makes a general assignment or SSALP interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.
- C. In the event of abandonment of the PROPERTY by SSALP.
- D. In the event project is terminated and terms of the agreement are not met after expiration of the applicable cure period.

VII. FINANCIAL RECORDS

- A. The SSALP shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities in accordance with State and Federal requirements. All records shall be open to inspection and may be audited by the authorized representatives of DOMH, and any State and/or Federal governing agencies.
- B. All financial records, supporting documents, statistical records, and all other records pertaining to the use of the funds provided under this AGREEMENT shall be retained collectively by DOMH, SSALP and USA for a period of twenty five (25) years, at a minimum, and shall be made available for audit by County, State or Federal representatives as necessary. In the event of litigation, claim or audit,

the records shall be retained until all litigation, claims and audit findings involving the records, have been fully resolved. The twenty five (25) year period commences upon issuance of certificate of occupancy to SSALP. Exceptions to the twenty five (25) year retention period will be made if County, State, and/or Federal laws mandate a longer retention period.

VIII. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

- A. If and when applicable, SSALP and USA in this AGREEMENT are subject to all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto. SSALP and USA hereto agree to cooperate in accordance with the terms and intent of this AGREEMENT for implementation of relevant law(s) and/or regulation(s) promulgated under this Law. The SSALP and USA further agrees that it shall be in compliance, and shall remain in compliance with the requirements of HIPAA, and the laws and regulations promulgated subsequent hereto, as may be amended from time to time.

All privacy complaints should be referred to:
Riverside County Dept. of Mental Health
Attn: Mary Stetkevich
4060A County Circle Drive
Riverside, CA 92503
(951) 358-4521

B. CONFIDENTIALITY

SSALP and USA agrees to maintain the confidentiality of all mental health and/or substance abuse client information in accordance with all applicable Federal, State and local laws and regulations. SSALP and USA will ensure that names, addresses, phone numbers, and any other individually identifiable information concerning mental health and/or substance abuse clients and the services they may be receiving are kept confidential. Applicable confidentiality laws include, but may not be limited to, California Welfare & Institution Code, Section 5328 through 5330, inclusive, 45 CFR Section 205.50, 42 CFR-Chapter 1-Part 2. The DOMH will notify the DOMH Compliance Officer of any breach of applicable confidential laws referenced herein.

IX. ALTERATION OF TERMS AND ENTIRE AGREEMENT

- A. The body of this AGREEMENT along with all incorporated Attachments fully expresses all understandings of the parties concerning all matters covered and shall constitute the total AGREEMENT. No addition to, or alteration of, the terms of this AGREEMENT, whether by written or verbal understanding of the parties, their officers, agents, or employees, shall be valid unless made in the form of a written amendment to this AGREEMENT, which is formally approved and executed by DOMH, SSALP and USA.

- B. All notices pertaining to this AGREEMENT shall be sent to the following:

Department of Mental Health
Maria Marquez, Mental Health Services Administrator
HHOPE Program
769 West Blaine, Suite B, Riverside, CA 92507
Tel: (951) 358 - 4523 Fax: (951) 538 - 5850
e-mail: mimarquez@rcmhd.org

USA Multifamily Management, Inc.
2440 Professional Drive
Roseville, CA 95661
Tel: (916) 773 - 6060 Fax: (916) 786 - 8150
e-mail: Propertygmtdept@usapropfund.com

USA Properties Fund, Inc., Administrative General Partner
for Snowberry Senior Apartments Limited Partnership
2440 Professional Drive
Roseville, CA 95661 - 7773
Tel (916) 773 - 6060 Fax: (916) 773 - 5866
e-mail: gbrown@usapropfund.com

IX. MISCELLANEOUS PROVISIONS

- A. **ASSIGNMENT:** This AGREEMENT shall not be assigned by SSALP and USA, either in whole or in part, without prior written consent for DOMH. Any assignment or purported assignment of this AGREEMENT by SSALP and USA without the prior written consent of DOMH will be deemed void and of no force or effect.
- B. **LICENSE AND CERTIFICATION:** SSALP AND USA verifies upon execution of this AGREEMENT, possession of a current and valid license in compliance with any local, State, and Federal laws and will be performed by properly trained and licensed staff.
- C. **SEVERABILITY:** If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
- D. **COMPLIANCE:** SSALP and USA warrants and certifies that, in the performance of this AGREEMENT, they shall comply with all applicable laws, rules, regulations and orders of the United States, the State of California, and the County of Riverside, including the laws and regulations pertaining to labor, wages, hours and other conditions of employment. SSALP and USA further warrants and certifies that it shall comply with new, amended, or revised laws, regulations and/or procedures that apply to the performance of this AGREEMENT.

- E. **HOLD HARMLESS-INDEPENDENT SSALP AND USA:** It is understood and agreed by both parties that SSALP AND USA are both independent entities and that no relationship of employer-employee exists between the parties hereto outside or what is explicitly declared and outlined in this AGREEMENT. SSALP and USA shall not be entitled to any benefits payable to employees of DOMH, including County Workers' Compensation Benefits. DOMH is not required to make any deductions from the compensation payable to SSALP and USA under the provisions of this AGREEMENT; and as an independent entity, SSALP and USA hereby hold DOMH harmless from any and all claims that may be made against DOMH based upon any contention by any third party that an employer-employee relationship exists by reason of this AGREEMENT.

XI. INSURANCE-INDEMNIFICATION

- A. SSALP and USA shall indemnify and hold DOMH, its officers, agents and employees, free and harmless from any liability whatsoever, including wrongful death, based or asserted upon any acts or omission of SSALP and/or USA, relating to or in any way connected with or arising from the accomplishment of the work by SSALP and/or USA.
- B. Without limiting the USA/SSALP's indemnification of the County, USA and SSALP shall maintain in force at all times during the per during the performance of this AGREEMENT, insurance policies or a program of self-insurance evidencing coverage during the entire term of the AGREEMENT as follows:
1. General Liability insurance in the amount of not less than \$1,000,000 per occurrence and aggregate, when SSALP/USA performs any professional services;
 2. Workers' Compensation insurance in accordance with statutory requirements; and
 3. If motor vehicles are used pursuant to this AGREEMENT, no less than \$1,000,000 combined single limit for damage to property and injury to persons.

XII. JURISDICTION, VENUE, ATTORNEY'S FEES

Should a dispute arise pertaining to this AGREEMENT, it is to be construed under the laws of the State of California. The all parties agree to the jurisdiction and venue of the appropriate courts in the County of Riverside, State of California. Should action be brought to enforce or interpret the provisions of the AGREEMENT, the prevailing party shall be entitled to attorney's fees in addition to whatever other relief is granted.

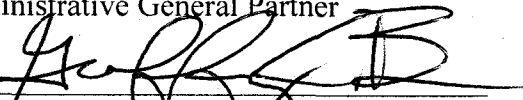
XIII. SIGNATORIES

SSALP, USA and DOMH mutually agree to fully and faithfully perform all applications set forth in this AGREEMENT. All parties agree to have their duly authorized signatories sign this AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in the County of Riverside, State of California.

SNOWBERRY SENIOR APARTMENTS, L.P., a California limited partnership

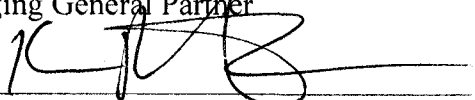
By: USA Snowberry Seniors, Inc., a California corporation
Its: Administrative General Partner

By: 
Name: Geoffrey C. Brown

9-10-2010
Date

Title: President


By: Riverside Charitable Corporation, a California corporation
Its: Managing General Partner

By: 
Name: Kenneth S. Robertson

9-10-2010
Date

Title: President

USA Multifamily Management, Inc., a California corporation

By: 
Name: Karen C. McCurdy
Title: President

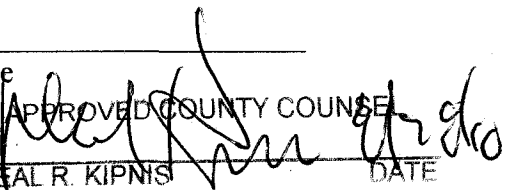
9-10-2010
Date

COUNTY OF RIVERSIDE

By: Bob Buster, Chairman
Riverside County Board of Supervisors
for the Department of Mental Health

Date

Attest: Kisha Harper-Ihem, Clerk of the Board
County of Riverside

Date _____
FORM APPROVED COUNTY COUNSEL
BY: 
NEAL R. KIPNIS DATE