

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

756



FROM: Department of Mental Health

SUBMITTAL DATE:
November 26, 2013

SUBJECT: Approval of five (5) separate Cooperative Agreements in connection with Mental Health Services Act housing at the Rancho Dorado North, The Vineyards at Menifee, Legacy, Cedar Glen, and Verbena Crossing apartment communities. (District: All)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve three (3) separate Cooperative Agreements between the Department of Mental Health (DMH) and the following entities: ConAm Management Corporation and MV Rancho Dorado II LP for Rancho Dorado North; ConAm Management Corporation and Menifee Vineyards LP for The Vineyards at Menifee; ConAm Management Corporation and Thousand Palms Apartments LP for Legacy.
2. Approve two (2) separate Cooperative Agreements between the DMH and the following entities: ConAm Management Corporation and Riverside Cedar Glen LP for Cedar Glen and USA Multi-Family Management, Inc., and Verbena Apartments LP for Verbena Crossing.
3. Authorize Chairman of the Board of Supervisor to sign all five (5) of the Cooperative Agreements; and

Continued on page 2

Jerry Wengerd

Jerry Wengerd, Director
Department of Mental Health

JW:TP:FH

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
SOURCE OF FUNDS: N/A				Budget Adjustment: No	
				For Fiscal Year: 13/14	

C.E.O. RECOMMENDATION:

APPROVE

BY: *Jennifer L. Sargent*

Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
 BY: *ELENA BOEVA*
 DATE: 12-3-13
 Departmental Concurrence

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: 3.31, 3/15/11; 3.14, 1/8/08

District: ALL

Agenda Number:

3-35

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of five (5) separate Cooperative Agreements in connection with Mental Health Services
Act housing at the Rancho Dorado North, The Vineyards at Menifee, Legacy, Cedar Glen, and Verbena
Crossing apartment communities. (District: All)**

DATE: November 26, 2013

PAGE: Page 2 of 2

RECOMMENDED MOTION: Continued

4. Authorize the Purchasing Agent to sign annual renewals and/or subsequent ministerial amendments between the DMH and the parties to all five (5) of the Cooperative Agreements in which there is no change in the County costs or in financial terms of the Cooperative Agreements.

BACKGROUND:

Summary

On January 8, 2008, (3.14), the Board of Supervisors authorized the California State DMH (State DMH), under the Mental Health Services Act (MHSA) Plan, to transfer \$19 million of MHSA funds to the California Housing Finance Agency (CalHFA) to hold in trust for the DMH. These MHSA funds are designated for the purpose of developing and operating MHSA permanent supportive housing units. CalHFA has the responsibility of managing, disbursing and administering these funds on behalf of the DMH. CalHFA requires that a Cooperative Agreement be executed for each apartment community in which the MHSA permanent supportive housing units are located. The Cooperative Agreement establishes the roles and responsibilities of each party and is executed by the DMH, the respective property management company and the limited partnership entity that owns the apartment community.

On March 15, 2011 (3.31), the Cooperative Agreements for Rancho Dorado North, The Vineyards at Menifee and Legacy were approved by the Board of Supervisors. However, due to a change in the identity of the property management company, three (3) new Cooperative Agreements are required to be submitted for approval. In addition, there are two (2) Cooperative Agreements that are associated with 30 new units of permanent supportive housing under the MHSA Plan. These agreements involve permanent supportive housing units at Cedar Glen and Verbena Crossing apartment communities.

The DMH is requesting that the Board of Supervisors authorize the Chairman of the Board of Supervisors to sign all five (5) of the Cooperative Agreements and authorize the Purchasing Agent to sign annual renewals and/or subsequent ministerial amendments between the DMH and the parties for all five (5) of the Cooperative Agreements in which there is no change in the County costs or the financial terms of the Cooperative Agreements.

Impact on Citizens and Businesses

The Cooperative Agreements establish the roles and responsibilities of the DMH and the respective property management companies and ownership entities. DMH does not enter into any direct agreements or contracts with those entities beyond the scope of the Cooperative Agreement. These services are a component of the Department's system of care aimed at improving the health and safety of consumers and the community.

COOPERATIVE AGREEMENT

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

AND

**CONAM MANAGEMENT CORPORATION &
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 "DOMH), and ConAm Management Corporation (hereinafter "PROPERTY MANAGER") 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 DMH 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 TPALP; and

WHEREAS, TPALP agreed 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 PROPERTY MANAGER 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 PROPERTY MANAGER mutually agree as follows:

I. GENERAL STATEMENT OF INTENT:

The PROJECT is 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 consists 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 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 includes 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 also is confidential office space for supportive services staff to meet with project residents that are participants in the supportive housing program.

TPALP and DOMH have mutually agreed and have jointly developed and submitted 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 operating and maintaining the PROJECT shall be carried out through the services of PROPERTY MANAGER or its successor.

1. TPALP, through the services of PROPERTY MANAGER, will maintain and operate all units of the PROJECT, consisting of a total of eighty (80) multi-family affordable housing units plus a manager's unit, of which sixty five (65) 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, PROPERTY MANAGER 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. PROPERTY MANAGER 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. PROPERTY MANAGER is responsible for general housekeeping of the common grounds.
4. PROPERTY MANAGER 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 DOMH.
6. All candidates seeking MHSAs set-aside occupancy into the PROJECT who are not directly referred by DOMH will be sent to DOMH by PROPERTY MANAGER for screening. This includes candidates applying directly to TPALP, PROPERTY MANAGER or at the PROJECT.
7. PROPERTY MANAGER will be responsible for developing and conducting PROJECT marketing in accordance with funding and Fair Housing access provisions.
8. PROPERTY MANAGER 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 MHSAs housing unit applicants.
9. PROPERTY MANAGER 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. PROPERTY MANAGER will immediately notify DOMH in the event of an MHSAs unit occupant leaving the PROJECT for any reason.
11. PROPERTY MANAGER 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. TPALP will provide on-site office space for DOMH supportive services staff to conduct individual and confidential meetings with MHSAs unit occupants.

13. TPALP and PROPERTY MANAGER 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 TPALP to DOMH, through the services of PROPERTY MANAGER.
2. DOMH 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. 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 ensuring that coordination and implementation of provisions of the AGREEMENT are achieved and maintained. This includes coordinating quarterly meetings and collaborating with TPALP and PROPERTY MANAGER 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

TPALP 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 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 DOMH agree that there will be no exchange and/or receipt of payment from or to TPALP, PROPERTY MANAGER 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 TPALP, 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 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 PROJECT by TPALP.
- D. In the event project is terminated and terms of the agreement are not met after expiration of the applicable cure period.

- E. PROPERTY MANAGER may terminate its involvement with the PROJECT immediately upon the effective termination of its underlying property management agreement with TPALP and by providing written notice of termination to DOMH within five (5) business days.

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 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 by TPALP and/or PROPERTY MANAGER 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. PROPERTY MANAGER will maintain documents until property management contract terminates at which time all records will be surrendered to TPALP. 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.

VIII. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

- A. TPALP and PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER 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

TPALP and PROPERTY MANAGER agree 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 PROPERTY MANAGER 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, if any, 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, TPALP and PROPERTY MANAGER.

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

Department of Mental Health
Maria Marquez, Deputy Director, Housing
HHOPE Program
1405 Spruce Street
Riverside, CA 92501
Tel: (951) 358 - 4523 Fax: (951) 538 - 5850
e-mail: mimarquez@rcmhd.org

ConAm Management Corporation
3990 Ruffin Road, Suite 100
San Diego, CA 92123
Tel: (858) -614 - 7200 Fax: (858) 614 - 7585
e-mail: dobrien@conam.com

Palm Communities, Administrative General Partner
for Thousand Palms Apartments Limited Partnership
15635 Alton Parkway, Suite 375
Irvine, CA 92618
Tel: (949) 878 - 9399 Fax: (949) 878 - 9399
e-mail: tdeutscher@pddc.net

WCH Affordable IV, LLC
151 Kalmus Drive, Suite J-5
Costa Mesa, CA 92626
Tel: (714) 549 - 4100 ext. 103 Fax: (714) 549 - 4600
e-mail - graham@wchousing.org

X. MISCELLANEOUS PROVISIONS

- A. **ASSIGNMENT:** This AGREEMENT shall not be assigned by TPALP and PROPERTY MANAGER, either in whole or in part, without prior written consent for DOMH. Any assignment or purported assignment of this AGREEMENT by TPALP and PROPERTY MANAGER without the prior written consent of DOMH will be deemed void and of no force or effect.
- B. **LICENSE AND CERTIFICATION:** TPALP AND PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER:** It is understood and agreed by both parties that TPALP AND PROPERTY MANAGER 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 PROPERTY MANAGER 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 TPALP and PROPERTY MANAGER under the provisions of this AGREEMENT; and as an independent entity, TPALP and PROPERTY MANAGER 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. TPALP and PROPERTY MANAGER 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 TPALP and/or PROPERTY MANAGER, relating to or in any way connected with or arising from the accomplishment of the work by TPALP and/or PROPERTY MANAGER.
- B. Without limiting PROPERTY MANAGER and TPALP's indemnification of the County, PROPERTY MANAGER 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/PROPERTY MANAGER 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

TPALP, PROPERTY MANAGER 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.

COOPERATIVE AGREEMENT

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

AND

**CONAM MANAGEMENT CORPORATION & 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 ConAm Management Corporation (hereinafter "PROPERTY MANAGER") 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 DMH 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 agreed 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 PROPERTY MANAGER 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 PROPERTY MANAGER mutually agree as follows:

I. GENERAL STATEMENT OF INTENT:

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

The PROJECT consists 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 includes 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 includes a computer room, ample meeting space, a kitchen and restrooms. In addition, the units have assigned carports and coin operated laundry facilities on-site. There is 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 and have jointly developed and submitted 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 operating and maintaining the PROJECT shall be carried out through the services of PROPERTY MANAGER or its successor.

1. MVRDIILP, through the services of PROPERTY MANAGER, 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, PROPERTY MANAGER 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. PROPERTY MANAGER 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. PROPERTY MANAGER is responsible for general housekeeping of the common grounds.
4. PROPERTY MANAGER 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 PROPERTY MANAGER for screening. This includes candidates applying directly to MVRDIILP, PROPERTY MANAGER or at the PROJECT.
7. PROPERTY MANAGER will be responsible for developing and conducting PROJECT marketing in accordance with funding and Fair Housing access provisions.
8. PROPERTY MANAGER 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. PROPERTY MANAGER 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. PROPERTY MANAGER will immediately notify DOMH in the event of an MHSA unit occupant leaving the PROJECT for any reason.
11. PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER.
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 ensuring that coordination and implementation of provisions of the AGREEMENT are achieved and maintained. This includes coordinating quarterly meetings and collaborating with MVRDIILP and PROPERTY MANAGER 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, PROPERTY MANAGER 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 PROJECT by MVRDIILP.

- D. In the event project is terminated and terms of the agreement are not met after expiration of the applicable cure period.
- E. PROPERTY MANAGER may terminate its involvement with the PROJECT immediately upon the effective termination of its underlying property management agreement with MVRDIILP and by providing written notice of termination to DOMH within five (5) business days.

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 by MVRDIILP and/or PROPERTY MANAGER 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. PROPERTY MANAGER will maintain documents until property management contract terminates at which time all records will be surrendered to MVRDIILP. 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 PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER agree 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 PROPERTY MANAGER 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, if any, 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 PROPERTY MANAGER.

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

Department of Mental Health
Maria Marquez, Deputy Director, Housing
HHOPE Program
1405 Spruce Street
Riverside, CA 92501
Tel: (951) 358 - 4523 Fax: (951) 538 - 5850
e-mail: mimarquez@rcmhd.org

ConAm Management Corporation
3990 Ruffin Road, Suite 100
San Diego, CA 92123
Tel: (858) -614 - 7200 Fax: (858) 614 - 7585
e-mail: dobrien@conam.com

Palm Communities, Administrative General Partner
for MV Rancho Dorado II Limited Partnership
15635 Alton Parkway, Suite 375
Irvine, CA 92618
Tel: (949) 878 – 9399 Fax: (949) 878 – 9399
e-mail: tdeutscher@pddc.net

X. MISCELLANEOUS PROVISIONS

- A. **ASSIGNMENT:** This AGREEMENT shall not be assigned by MVRDIILP and PROPERTY MANAGER, either in whole or in part, without prior written consent for DOMH. Any assignment or purported assignment of this AGREEMENT by MVRDIILP and PROPERTY MANAGER without the prior written consent of DOMH will be deemed void and of no force or effect.
- B. **LICENSE AND CERTIFICATION:** MVRDIILP AND PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER:** It is understood and agreed by both parties that MVRDIILP AND PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER under the provisions of this AGREEMENT; and as an independent entity, MVRDIILP and PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER, relating to or in any way connected with or arising from the accomplishment of the work by MVRDIILP and/or PROPERTY MANAGER.
- B. Without limiting PROPERTY MANAGER and MVRDIILP's indemnification of the County, PROPERTY MANAGER 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/PROPERTY MANAGER 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

MVRDIILP, PROPERTY MANAGER 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 Communities, a California corporation, formerly known as Palm Desert Development Company, its administrative general partner

By: [Signature]
Todd A. Deutscher, President

10/8/13
Date

ConAm Management Corporation, a California corporation

By: [Signature]
Name: Frazier Crawford
Title: Executive Vice President

10/8/13
Date

COUNTY OF RIVERSIDE

By: John J. Benoit, 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: [Signature] 12-3-17
ELENA M. BOEVA

COOPERATIVE AGREEMENT

PARTIES:

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

AND

**CONAM MANAGEMENT CORPORATION &
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 ConAm Management Corporation (hereinafter "PROPERTY MANAGER") and is concurred to by Meniffee Vineyards Limited Partnership (hereinafter "MVLP") for the management of fifteen units of supportive housing within an 81 unit affordable senior housing project known as The Vineyards at Meniffee, 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 DMH 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 agreed 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 PROPERTY MANAGER 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 PROPERTY MANAGER mutually agree as follows:

I. GENERAL STATEMENT OF INTENT:

The PROJECT is located at the northeast corner of Newport Road and Winter Hawk Road in the City of Menifee, California.

The PROJECT consists 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 includes 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 and have jointly developed and submitted 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 operating and maintaining the PROJECT shall be carried out through the services of PROPERTY MANAGER or its successor.

1. MVLP, through the services of PROPERTY MANAGER, 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, PROPERTY MANAGER 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. PROPERTY MANAGER 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. PROPERTY MANAGER is responsible for general housekeeping of the common grounds.
4. PROPERTY MANAGER 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 PROPERTY MANAGER for screening. This includes candidates applying directly to MVLP, PROPERTY MANAGER or at the PROJECT.
7. PROPERTY MANAGER will be responsible for developing and conducting PROJECT marketing in accordance with funding and Fair Housing access provisions.
8. PROPERTY MANAGER 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. PROPERTY MANAGER 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. PROPERTY MANAGER will immediately notify DOMH in the event of an MHSA unit occupant leaving the PROJECT for any reason.
11. PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER.
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 ensuring that coordination and implementation of provisions of the AGREEMENT are achieved and maintained. This includes coordinating quarterly meetings and collaborating with MVLP and PROPERTY MANAGER 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, PROPERTY MANAGER 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.
- E. PROPERTY MANAGER may terminate its involvement with the PROJECT immediately upon the effective termination of its underlying property management agreement with MVLP and by providing written notice of termination to DOMH within five (5) business days.

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 by MVLP and/or PROPERTY MANAGER 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. PROPERTY MANAGER will maintain documents until property management contract terminates at which time all records will be surrendered to MVLP. 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 PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY

MANAGER 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, if any, 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 PROPERTY MANAGER.
- B. All notices pertaining to this AGREEMENT shall be sent to the following:

Department of Mental Health
Maria Marquez, Deputy Director, Housing
HHOPE Program
1405 Spruce Street
Riverside, CA 92501
Tel: (951) 358 – 4523 Fax: (951) 538 - 5850
e-mail: mimarquez@rcmhd.org

ConAm Management Corporation
3990 Ruffin Road, Suite 100
San Diego, CA 92123
Tel: (858) –614 - 7200 Fax: (858) 614 - 7585
e-mail: dobrien@conam.com

Palm Communities, Administrative General Partner
for Menifee Vineyards Limited Partnership
15635 Alton Parkway, Suite 375
Irvine, CA 92618
Tel: (949) 878 – 9399 Fax: (949) 878 – 9399
e-mail: tdeutscher@pddc.net

X. MISCELLANEOUS PROVISIONS

- A. ASSIGNMENT: This AGREEMENT shall not be assigned by MVLP and PROPERTY MANAGER, either in whole or in part, without prior written consent for DOMH. Any assignment or purported assignment of this AGREEMENT by

MVLP and PROPERTY MANAGER without the prior written consent of DOMH will be deemed void and of no force or effect.

- B. LICENSE AND CERTIFICATION: MVLP AND PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER: It is understood and agreed by both parties that MVLP AND PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER under the provisions of this AGREEMENT; and as an independent entity, MVLP and PROPERTY MANAGER 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 PROPERTY MANAGER 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 PROPERTY MANAGER, relating to or in any way connected with or arising from the accomplishment of the work by MVLP and/or PROPERTY MANAGER.
- B. Without limiting PROPERTY MANAGER and MVLP's indemnification of the County, PROPERTY MANAGER 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/PROPERTY MANAGER 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, PROPERTY MANAGER 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.

COOPERATIVE AGREEMENT

PARTIES:

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

AND

**USA MULTIFAMILY MANAGEMENT, INC. &
VERBENA APARTMENTS L.P.**

TYPE OF SERVICE:

**MANAGEMENT OF FIFTEEN UNITS OF
SUPPORTIVE PERMANENT HOUSING WITHIN
AN AFFORDABLE HOUSING PROJECT KNOWN
AS VERBENA CROSSING APARTMENTS**

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 Verbena Apartments L.P. (hereinafter "VALP") for the management of fifteen units of supportive housing within a 96 unit affordable housing project known as Verbena Crossing Apartments, 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 DMH 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 VALP; and

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

WHEREAS, VALP has entered into an AGREEMENT with USA to manage the development and carry out the performance of VALP'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, VALP and USA mutually agree as follows:

I. GENERAL STATEMENT OF INTENT:

The PROJECT to be developed will be located at 66950 Ironwood Drive in Desert Hot Springs, California. The project involves the acquisition of an existing apartment community and the renovation of the units therein.

The PROJECT shall consist of a total of ninety-six (96) multi-family affordable housing units, of which eighty-one (81) will be affordable general population units and fifteen (15) shall be set-aside (subject to applicable tax credit and fair housing rules and regulations) 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 applicable DOMH rules and regulations.

The PROJECT shall include the following: one (1), two (2) and three (3) bedroom rental units. Each unit will have air conditioning and heating, window blinds, ceiling fans, a storage area, closet, and a patio or balcony (depending on floor level). Kitchens are equipped with Energy Star® appliances, including a frost-free refrigerator, combination range/oven, dishwasher, garbage disposal and laminate countertops. The project will be enclosed by a perimeter fence with a gated site entry. Common area security cameras will be located at access points, pool and clubhouse. Recreation areas include a tot lot – playground, sports court, pool, a community room, a resident resource room with computers and a picnic / BBQ area. There is a laundry room with 10 coin-operated washers and 12 dryers. The units will have assigned carports.

VALP 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 \$ 3,374,580, which includes a categorical maximum of \$ 1,687,290 for capital development and \$ 1,687,290 for operating subsidies for the PROJECT.

II. DUTIES AND RESPONSIBILITIES:

A. VALP RESPONSIBILITIES. The responsibility of constructing, operating and maintaining the PROJECT will be the sole responsibility of VALP and operating and maintaining the PROJECT shall be facilitated through the services of USA or its successor.

1. VALP, through the services of USA, will maintain and operate all units of the PROJECT, a total of ninety-six (96) multi-family affordable housing units, of which eighty-one (81) 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 (subject to applicable tax credit and Fair Housing rules and regulations). During the

affordability period of not less than 20 years as defined herein, the DOMH, USA and VALP 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 (excluding light bulbs) 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. VALP 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 VALP, 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. VALP will provide on-site office space for DOMH supportive services staff to conduct individual and confidential meetings with MHSA unit occupants.
13. VALP and USA together will actively collaborate with DOMH 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. DOMH RESPONSIBILITIES.

1. DOMH will screen for MHSA housing eligibility for all candidates referred for housing from DOMH programs or by VALP to DOMH.
2. DOMH program provider(s) will provide on-site full-service supportive services to PROJECT MHSA tenants for the duration that VALP 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 needs of the MHSA consumer/tenant age groups: transition age youth (up to age 25), adults (ages 18 through 59) adults (ages 55-59) and older adults (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 ensuring that coordination and implementation of provisions of the AGREEMENT are achieved and maintained. This includes coordinating quarterly meetings and collaborating with VALP 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

VALP 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 VALP, whichever is later.

V. REIMBURSEMENT/PAYMENT

VALP and the DOMH agree that there will be no exchange and/or receipt of payment from or to VALP, 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 VALP, on behalf of DOMH, as operating subsidies for the PROJECT.

VI. TERMINATION OF THE AGREEMENT

Any 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 VALP is filed for voluntary or involuntary bankruptcy, which is not dismissed within sixty (60) days.
- B. In the event that VALP makes a general assignment or VALP 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 VALP.
- D. In the event project is terminated and terms of the agreement are not met after expiration of the applicable cure period.
- E. USA may terminate its involvement with the PROJECT immediately upon the effective termination of its underlying property management agreement with VALP and by providing written notice of termination to DOMH within five (5) business days.

VII. FINANCIAL RECORDS

- A. The VALP 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 by VALP and/or 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 VALP. 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, VALP 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. VALP 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. VALP and USA further agree that they 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

VALP and USA agree 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. VALP 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, VALP and USA.
- B. All notices pertaining to this AGREEMENT shall be sent to the following:

Department of Mental Health
Maria Marquez, Deputy Director, Housing
HHOPE Program
1405 Spruce Street, Riverside, CA 92501
Tel: (951) 358 - 4523 Fax: (951) 538 - 5850
e-mail: mimarquez@rcmhd.org

USA Multifamily Management, Inc.
Attn: President
3200 Douglas Blvd., Suite 200
Roseville, CA 95661
Tel: (916) 773 - 6060 Fax: (916) 786 - 5866
e-mail: propertymgmtdept@usapropfund.com

USA Verbena, Inc., a California corporation, Administrative General Partner
for Verbena Apartments L.P.
Attn: President
3200 Douglas Blvd., Suite 200
Roseville, CA 95661 - 7773
Tel: (916) 773 - 6060 Fax: (916) 773 - 5866
e-mail: gbrown@usapropfund.com

X. MISCELLANEOUS PROVISIONS

- A. ASSIGNMENT: This AGREEMENT shall not be assigned by VALP and USA, either in whole or in part, without prior written consent for DOMH. Any assignment or purported assignment of this AGREEMENT by VALP and USA without the prior written consent of DOMH will be deemed void and of no force or effect.

- B. LICENSE AND CERTIFICATION: VALP 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: VALP 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. VALP 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 VALP AND USA: It is understood and agreed by both parties that VALP 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. VALP 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 VALP and USA under the provisions of this AGREEMENT; and as an independent entity, VALP 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. VALP 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 VALP and/or USA, relating to or in any way connected with or arising from the accomplishment of the work by VALP and/or USA.
- B. Without limiting the USA/VALP's indemnification of the County, USA and VALP 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 VALP/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

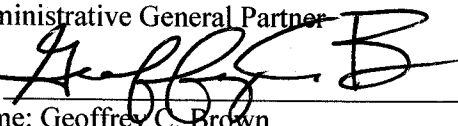
Should a dispute arise pertaining to this AGREEMENT, it is to be construed under the laws of the State of California. The all parties agree to the jurisdiction and venue of the appropriate courts in the County of Riverside, State of California. Should action be brought to enforce or interpret the provisions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

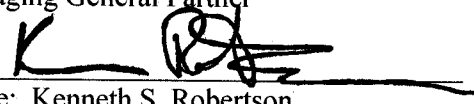
XIII. SIGNATORIES

VALP, 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.

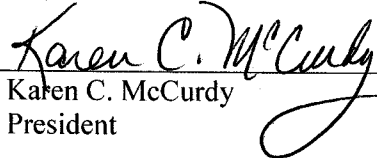
IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in the County of Riverside, State of California.

Verbena Apartments L.P.

By: USA Verbena, Inc.
 Its: Administrative General Partner
 By:  10/10/13
 Name: Geoffrey C. Brown Date
 Title: President

By: Riverside Charitable Corporation, a California nonprofit public benefit corporation
 Its: Managing General Partner
 By:  10/7/13
 Name: Kenneth S. Robertson Date
 Title: President

USA Multifamily Management, Inc.

By:  10/11/13
 Name: Karen C. McCurdy Date
 Title: President

COUNTY OF RIVERSIDE

By: John J. Benoit, Chairman
Riverside County Board of Supervisors
for the Department of Mental Health

Date

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

Date

FORM APPROVED COUNTY COUNSEL

BY: *Elena M. Boeva* *12-3-13*
ELENA M. BOEVA DATE

COOPERATIVE AGREEMENT

PARTIES: COUNTY OF RIVERSIDE,
DEPARTMENT OF MENTAL HEALTH

AND

**CONAM MANAGEMENT CORPORATION &
RIVERSIDE CEDAR GLEN PARTNERS LP, A
CALIFORNIA LIMITED PARTNERSHIP**

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

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 ConAm Management Corporation (hereinafter "PROPERTY MANAGER") and is concurred to by Riverside Cedar Glen Partners LP, a California limited partnership (hereinafter "RCGP") for the management of fifteen units of supportive housing within a 78 unit affordable housing project known as Cedar Glen Apartments,, 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 DMH 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 RCGP; and

WHEREAS, RCGP agreed under a separate AGREEMENT to receive construction funding to perform construction and related activities as described herein; and

WHEREAS, RCGP has entered into an AGREEMENT with PROPERTY MANAGER to

manage the development and carry out the performance of RCGP'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, RCGP and PROPERTY MANAGER mutually agree as follows:

I. GENERAL STATEMENT OF INTENT:

The PROJECT to be developed will be located at 9886 County Farm Road in Riverside, California. The project involves the construction of a new apartment community on vacant land.

The PROJECT shall consist of a total of seventy-eight (78) multi-family housing units, including seventy-seven (77) multi-family affordable housing units and a manager's unit. Sixty-two (62) 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), three (3) and four (4) bedroom rental units. The entire apartment community will be fenced and gated and will include a 3,500 square foot community building. The apartment community will include on-site management with after-hours response for maintenance and emergency issues, automobile entry gates, perimeter fencing and pedestrian gates. Common area security cameras will be located throughout the community. Each unit will have air conditioning and heating, a storage area, walk-in closet, coat closet and a patio or balcony (depending on floor level). Kitchens are equipped with Energy Star® appliances, including a frost-free refrigerator, combination range/oven, dishwasher, garbage disposal and solid surface countertops.

RCGP 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 \$3,154,790, which includes a maximum of \$1,400,000 for capital development and a statutory maximum of \$1,754,790 for operating subsidies for the PROJECT.

II. DUTIES AND RESPONSIBILITIES:

A. RCGP RESPONSIBILITIES. The responsibility of constructing, operating and maintaining the PROJECT will be the sole responsibility of RCGP and operating and maintaining the PROJECT shall be carried out through the services of PROPERTY MANAGER or its successor.

1. RCGP, through the services of PROPERTY MANAGER, will maintain and operate all units of the PROJECT, consisting of a manager's unit and seventy-seven (77) multi-family affordable housing units, of which sixty-

two (62) 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, PROPERTY MANAGER and RCGP 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. PROPERTY MANAGER 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. PROPERTY MANAGER is responsible for general housekeeping of the common grounds.
4. PROPERTY MANAGER will comply with all applicable licensing regulations.
5. RCGP 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 PROPERTY MANAGER for screening. This includes candidates applying directly to RCGP, PROPERTY MANAGER or at the PROJECT.
7. PROPERTY MANAGER will be responsible for developing and conducting PROJECT marketing in accordance with funding and Fair Housing access provisions.
8. PROPERTY MANAGER 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. PROPERTY MANAGER 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. PROPERTY MANAGER will immediately notify DOMH in the event of an MHSA unit occupant leaving the PROJECT for any reason.
11. PROPERTY MANAGER 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. RCGP will provide on-site office space for DOMH supportive services staff to conduct individual and confidential meetings with MHSA unit occupants.
13. RCGP and PROPERTY MANAGER 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 RCGP to DOMH, through the services of PROPERTY MANAGER.
2. DOMH program provider(s) will provide on-site full-service supportive services to PROJECT MHSA tenants for the duration that RCGP 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 ensuring that coordination and implementation of provisions of the AGREEMENT are achieved and maintained. This includes coordinating quarterly meetings and collaborating with RCGP and PROPERTY MANAGER 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

RCGP 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 RCGP, 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

RCGP and the DOMH agree that there will be no exchange and/or receipt of payment from or to RCGP, PROPERTY MANAGER 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 RCGP, 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 RCGP is filed for voluntary or involuntary bankruptcy, which is not dismissed within sixty (60) days.
- B. In the event that RCGP makes a general assignment or RCGP 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 RCGP.

- D. In the event project is terminated and terms of the agreement are not met after expiration of the applicable cure period.
- E. PROPERTY MANAGER may terminate its involvement with the PROJECT immediately upon the effective termination of its underlying property management agreement with RCGP and by providing written notice of termination to DOMH within five (5) business days.

VII. FINANCIAL RECORDS

- A. The RCGP 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 by RCGP and/or PROPERTY MANAGER 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. PROPERTY MANAGER will maintain documents until property management contract terminates at which time all records will be surrendered to RCGP. 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 RCGP. 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. RCGP and PROPERTY MANAGER 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. RCGP and PROPERTY MANAGER 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 RCGP and PROPERTY MANAGER 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

B. CONFIDENTIALITY

RCGP and PROPERTY MANAGER agree 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. RCGP and PROPERTY MANAGER 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, if any, 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, RCGP and PROPERTY MANAGER.

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

Department of Mental Health
Maria Marquez, Deputy Director, Housing
HHOPE Program
1405 Spruce Street
Riverside, CA 92501
Tel: (951) 358 - 4523 Fax: (951) 538 - 5850
e-mail: mimarquez@rcmhd.org

ConAm Management Corporation
3990 Ruffin Road, Suite 100
San Diego, CA 92123
Tel: (858) -614 - 7200 Fax: (858) 614 - 7585
e-mail: dobrien@conam.com

Palm Communities, a California corporation, Administrative General Partner
for Riverside Cedar Glen Partners LP, a California limited partnership
15635 Alton Parkway, Suite 375
Irvine, CA 92618
Tel: (949) 878 - 9399 Fax: (949) 878 - 9399
e-mail: tdeutscher@pddc.net

X. MISCELLANEOUS PROVISIONS

- A. **ASSIGNMENT:** This AGREEMENT shall not be assigned by RCGP and PROPERTY MANAGER, either in whole or in part, without prior written consent for DOMH. Any assignment or purported assignment of this AGREEMENT by RCGP and PROPERTY MANAGER without the prior written consent of DOMH will be deemed void and of no force or effect.
- B. **LICENSE AND CERTIFICATION:** RCGP AND PROPERTY MANAGER 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:** RCGP and PROPERTY MANAGER 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. RCGP and PROPERTY MANAGER 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 RCGP AND PROPERTY MANAGER:** It is understood and agreed by both parties that RCGP AND PROPERTY MANAGER 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. RCGP and PROPERTY MANAGER 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 RCGP and PROPERTY MANAGER under the provisions of this AGREEMENT; and as an independent entity, RCGP and PROPERTY MANAGER 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. RCGP and PROPERTY MANAGER 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 RCGP and/or PROPERTY MANAGER, relating to or in any way connected with or

arising from the accomplishment of the work by RCGP and/or PROPERTY MANAGER.

B. Without limiting PROPERTY MANAGER and RCGP's indemnification of the County, PROPERTY MANAGER and RCGP 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 RCGP/PROPERTY MANAGER 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

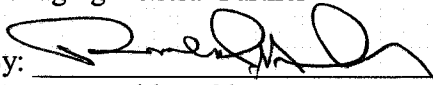
RCGP, PROPERTY MANAGER and DOMH mutually agree to fully and faithfully perform all applications set forth in this AGREEMENT. All parties agree to have their duly authorized signatories sign this AGREEMENT.

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

Riverside Cedar Glen Partners LP, a California limited partnership

By: Housing Corporation of America, a Utah Not for profit Public Benefit Corporation

Its: Managing General Partner

By: 

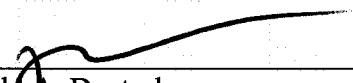
Name: Ronald H. Olson

Title: President

10-15-13
Date

By: Palm Communities, a California corporation

Its: Administrative General Partner

By: 

Name: Todd A. Deutscher

Title: President

10/8/13
Date

ConAm Management Corporation, a California corporation

By: 

Name: Frazier Crawford

Title: Executive Vice President

10/18/13
Date

COUNTY OF RIVERSIDE

By: John J. Benoit, 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