



AGENDA
HYBRID ANNUAL BOARD MEETING FOR
THE HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
BOARD OF COMMISSIONERS

DATE: MONDAY, SEPTEMBER 22, 2025

TIME: 5:00 P.M.

QR CODE:



LINK: <https://us02web.zoom.us/j/3501891938?pwd=N3d4QWM3MjRQQUtnYnYwZ3dtekxDdz09>

Phone: (669) 900-6833 (*9 to raise hand, *6 to unmute)

Meeting ID: 350 189 1938

Passcode: 438419

LOCATION: Housing Authority of the County of Monterey
Central Office, 123 Rico Street, Salinas, CA 93907

1. CALL TO ORDER (Pledge of Allegiance)

2. ROLL CALL

	<u>PRESENT</u>	<u>ABSENT</u>
Chair Vacant	_____	_____
Vice Chair Kathleen Ballesteros	_____	_____
Commissioner Kevin Healy	_____	_____x_____
Commissioner Francine Goodwin	_____	_____
Commissioner Maria Orozco	_____	_____
Commissioner Yuri Anderson	_____	_____
Commissioner Eleanor Elliott	_____	_____

ADDITIONS AND CORRECTIONS BY THE EXECUTIVE DIRECTOR

The President/CEO will announce agenda corrections and proposed additions, which may be acted on by the Board in accordance with Section 54954.2 of the California Government Code.

3. COMMENTS FROM THE PUBLIC

4. PRESENTATION

A. Welcome New Tenant Commissioner, Eleanor Elliott

5. MINUTES

A. Approval of Minutes of the Regular Board Meeting held on August 25, 2025.

6. REPORTS OF COMMITTEES

Board Reports Ad Hoc Committee
Policy Ad Hoc Committee

Commissioner Healy & Anderson
Commissioners Ballesteros & Goodwin

7. REPORT OF SECRETARY

A. Executive Report

8. NEW BUISNESS

A. Election of Officers

B. Resolution 3141 - Resolution Approving Project Plans and Awarding Contracts to Precision Construction & Property Damage Mitigation Inc, Elite Glass Company, and Quality Plumbing Associates, Inc.

C. Resolution 3142 – Resolution Awarding Contract to Enviro-Temp, Inc. For Furnace Replacement

9. INFORMATION

A. Human Resource Report

B. Property Management Report

C. Housing Programs Report

D. Development Report

E. Finance Report

10. CLOSED SESSION

A. Personnel Matters: Government Code Section 54597 - This section permits closed session discussions of certain matters relating to public employment, including personnel matters, evaluations, and disciplinary actions.

B. Litigation: Government Code Section 54956.9(d)(2): This section permits closed session discussions of certain matters relating to litigation involving the public housing board or agency.

11. COMMISSIONER COMMENTS

12. ADJOURNMENT

This agenda was posted on the Housing Authority's Bulletin Boards at 123 Rico Street, Salinas, CA.

The Board of Commissioners will next meet at the Regular Board Meeting on **October 27, 2025, at 5:00 p.m.**

THE PLEDGE OF ALLEGIANCE

I pledge allegiance to the flag of the United States of America

And to the Republic for which it stands

One nation, under God

Indivisible with liberty and justice for all





COMMENTS FROM THE PUBLIC



California's Brown Act mandates public comment periods in government meetings, but it's crucial to understand that these sessions aren't intended for dialogue. Instead, they provide citizens with a platform to express their views or concerns, while officials typically refrain from engaging in discussion or debate during this time.

For inquiries regarding specific items in the report, please send questions to grivero@hamonterey.org

WELCOME NEW COMMISSIONER

Eleanor Elliott





ACTION
MINUTES OF THE REGULAR BOARD MEETING OF
THE HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD AUGUST 25, 2025

SUMMARY ACTION MINUTES

1. CALL TO ORDER/ROLL CALL (Pledge of Allegiance)

CALL TO ORDER:

Vice-Chair Ballesteros called the meeting to order at 5:04 p.m.

2. ROLL CALL:

PRESENT:

Vice-Chair Kathleen Ballesteros
Commissioner Kevin Healy
Commissioner Francine Goodwin
Commissioner Yuri Anderson

ABSENT:

Commissioner Maria Orozco

Also present: Zulieka Boykin, Executive Director; James Maynard-Cabrera, Director of Human Resources; Jin Lu, Director of Finance; Nora Ruvalcaba, Director of Development; Interim Director of Housing Programs, Lucila Vera; Recorder: Gabriela Rivero.

The regularly scheduled meeting of July 2025 was cancelled due to the absence of a quorum. No official business was conducted.

3. COMMENTS FROM THE PUBLIC

None

4. MINUTES

A. Minutes - Approval of Minutes of the Regular Board Meeting held on June 23rd, 2025.

Motion to approve the Minutes of the Regular Board Meeting held on June 23rd, 2025, was made by Commissioner Anderson and seconded by Commissioner Goodwin. The motion was carried through a roll call vote.

AYES: Ballesteros, Goodwin, Anderson

NOES: None

ABSENT: Orozco

ABSTAIN: Healy

5. REPORTS OF COMMITTEES

Board Reports Ad Hoc Committee: Commissioners Healy & Anderson
Reviewed Finance Report and provided feedback.

Policy Ad Hoc Committee: Commissioners Ballesteros, & Goodwin
Met as scheduled and reviewing internal policies.

6. REPORT OF SECRETARY

A. Executive Report – Presented by Executive Director, Zulieka Boykin.

Ms. Boykin reported that the agency has addressed all items from the San Francisco HUD Field Office compliance review except for the tenant account receivable write-off policy, which is being presented for board approval; the Fairview Project with the City of Salinas is awaiting finalized state and city documents; and property management has begun operating HDC-owned properties as of June 1, generating \$351,741 in savings in management fees and projecting \$867,252 in additional revenue due to adjusted contract agreements. She noted that property managers are undergoing HOTMA training, recertification efforts are underway, and the Tynan Village project-based voucher contract renewal covering 41 units is presented for consideration. The Finance Department has submitted the agency budget and BDO renewal contract for board review, while the Development Department celebrated the groundbreaking of the King City Days Inn Project with strong county support. The HCV Department is preparing the annual SEMAP Certification, managing budget shortfalls, and providing staff training, while Human Resources continues recruiting for open positions. Ms. Boykin also announced her appointments to the PHADA Board of Trustees and the NAHRO International Research and Global Exchange Standing Committee for 2025–2027, emphasizing the privilege of representing HACM’s housing initiatives on a national platform.

7. NEW BUISNESS

A. Resolution 3137 - Resolution Approving the Operating Budget for the Fiscal Year Beginning July 1st, 2025, and Ending June 30th, 2026

Motion to approve Resolution 3137: Resolution Approving the Operating Budget for the Fiscal Year Beginning July 1st, 2025, and Ending June 30th, 2026, was made by Commissioner Healy and seconded by Commissioner Anderson. The motion was carried through a roll call vote.

AYES: Ballesteros, Goodwin, Anderson, Healy

NOES: None

ABSENT: Orozco

B. Resolution 3138 - Resolution Adopting Policy and Procedures for Write-Offs of Tenant Accounts Receivable

Motion to approve Resolution 3138: Resolution Adopting Policy and Procedures for Write-Offs of Tenant Accounts Receivable was made by Commissioner Anderson and seconded by Commissioner Healy. The motion was carried through a roll call vote.

AYES: Ballesteros, Goodwin, Anderson, Healy

NOES: None

ABSENT: Orozco

- C. Resolution 3139 - Resolution Approving the Renewal of the BDO USA, P.C. Contract for Professional Accounting Services

Motion to approve Resolution 3139: Resolution Approving the Renewal of the BDO USA, P.C. Contract for Professional Accounting Services was made by Commissioner Healy and seconded by Commissioner Anderson. The motion was carried through a roll call vote.

AYES: Ballesteros, Goodwin, Anderson, Healy

NOES: None

ABSENT: Orozco

- D. Resolution 3140 - First Addendum and Amendment to the Tynan Village PBV HAP Contract

Motion to approve Resolution 3140: First Addendum and Amendment to the Tynan Village PBV HAP Contract was made by Commissioner Anderson and seconded by Commissioner Goodwin. The motion was carried through a roll call vote.

AYES: Ballesteros, Goodwin, Anderson, Healy

NOES: None

ABSENT: Orozco

8. INFORMATION

In a departure from traditional board reporting methods, we're adopting a new approach. Going forward, reports won't be verbally presented as before. Instead, they'll be provided as is for commissioners to review. Any questions or comments can be addressed during the meeting. This shift aims to streamline the process and ensure that meeting time is used efficiently.

- A. Human Resource Report – Presented by James Maynard-Cabrera, Director of Human Resources
- B. Finance Report – Presented by Jin Lu, Director of Finance
- C. Property Management Report – Presented by Keith Gregory, Interim Director of Property Management
- D. Development Report – Presented by Keith Gregory, Director of Development
- E. Housing Programs Report – Presented by Zulieka Boykin, Executive Director

9. CLOSED SESSION

A. Personnel Matters: Government Code Section 54957

This section permits closed session discussions of certain matters relating to public employment, including personnel matters, evaluations, and disciplinary actions.

The Board recessed at 6:25 p.m. to convene the Housing Development Corporation meeting and reconvened at 6:29 p.m. Commissioner comments were provided before entering closed session at 6:32 p.m. The Board returned from closed session at 7:24 p.m. No reportable action was taken.

10. COMMISSIONER COMMENTS

The commissioners collectively thanked everyone involved in today's meeting.

11. ADJOURMENT

With no additional matters to address, the Board concluded the meeting and adjourned it to 7:24 p.m.

Respectfully submitted,

Gabriela Rivero
Executive Assistant/Clerk of the Board

Chairperson

ATTEST:

Secretary

Date



REPORTS OF COMMITTEES

Board Reports Ad Hoc Committee

Commissioners: Healy & Anderson

Policy Ad Hoc Committee

Commissioners: Ballesteros & Goodwin

MEMORANDUM

TO: [OBJ] Board of Commissioners

FROM: [OBJ] Zulieka Boykin
Executive Director

RE: [OBJ] Executive Director Report

DATE: September 19, 2025



The following are some of the highlights of accomplishments or pending projects in process:

INFORMATIONAL UPDATE

AB2240 Updates for Migrant Centers was issued September 12, 2025. There are several changes affecting the migrant centers and a meeting will be scheduled at King City Migrant Center for October 1st for the OMS Representative to talk with tenants. Some of the issues that will be discussed are operating the center year-round and different eligibility criteria.

CHSP – Coalition of Homeless Service Providers

- Attended the monthly meeting and board meeting. We will work together for services requiring coordinated entry at the sites.

San Francisco HUD Field Office

- Working with the Shortfall Team to mitigate shortages as well corrective measures for the PIC issues related to the HCV program. More details are available in the HCV portion of this report.

City of Salinas- Community Development Department

- The City and State of California are finalizing items, and the closing should be completed by November 2025 for Fairview property.

City of Soledad

- Working with the City and a possible partnership to utilize the \$2 million in funding to develop units for the Foster Youth. A detailed plan should be available by November 2025.

County of Monterey

- We are working with the County on several projects in the preliminary stages.

HACM/HDC

PROPERTY MANAGEMENT

- Property management has created teams to mirror the funding sources. These teams meet regularly for discussion and training. The goal is to increase teamwork, ownership, empowerment, and efficiency at the sites. Detailed training is being provided to create a foundation of coordination and cooperation.

- There is an opportunity for relief for RAD projects facing extraordinary cost. The application opens on September 30, 2025 and there is a meeting scheduled for September 25 for interested agencies. We will attend and plan to apply for this additional funding.

FINANCE DEPARTMENT

- The agency audit is being completed by the finance team and is currently on time for HUD submission deadlines.

DEVELOPMENT DEPARTMENT

- The King City Days Inn Project is progressing, and the development report will outline the RFP process and progress. Some of the necessary RFP's are provided as resolution for the board's consideration of approval.

HCV DEPARTMENT

- We are working closely with the Shortfall team to secure funding for the voucher program. Our authority is projected to exhaust the budget authority in October for the regular HCV program and Mainstream vouchers.
 - The authorities budget authority is \$79,532,680 dollars for the CY2025 and we are projecting a shortfall of -\$16,981,020. The program HAP expenses are 121.2% of all the funds. This is for the regular Housing Choice Voucher Program which has 4,793 vouchers allocated.
 - We received an additional frontload of \$2,090,487 for the month of September.
 - The authorities budget authority for the Mainstream Voucher Program is \$1,237,606 and we are projecting a shortfall of -\$330,000. The Mainstream Program has 59 vouchers allocated.
 - We received an additional \$80,393 for the month of September that is not reflected in the projected shortfall.
- The Emergency Housing Choice Vouchers were originally projected with funding for 10 years; however, HUD has issued notifications that most Housing Authorities will exhaust their Budget Authority in 2026. Our EHV program receives up to \$680,000 in Housing Assistance Payments and \$38,000 in Administrative Fee's for the EHV program.
 - Remaining funding is anticipated to run up to September 2026. We are working on several options to assist these families that will be impacted if the budget authority is not increased.

HUMAN RESOURCES DEPARTMENT

- Human Resources has filled all open positions except the Director of Housing Management. They are working on recruitment for this position and onboarding the new hires.

MISCELLANEOUS



ELECTIONS



FOR THE FUTURE



MEMORANDUM

TO: Board of Commissioners

FROM: Zulieka Boykin, Executive Director

RE: **Procedures for Election of Officers**

DATE: September 26, 2024



The Bylaws of the Housing Authority do not specify the procedures for the election of officers. Instead, they defer to Robert's Rules of Order for any matters not addressed within the bylaws. Below is an excerpt from Robert's Rules, outlining the procedures for the election of officers and defining term limits.

"Before proceeding to an election to fill an office it is customary to nominate one or more candidates. This nomination is not necessary when the election is by ballot or roll call, as each member may vote for any eligible person whether nominated or not. When the vote is via voice the nomination is like a motion to fill a blank, the different names being repeated by the Chair as they are made, and then the vote is taken on each in the order in which they were nominated, until one is elected. The nomination need not be seconded. The usual method in permanent societies is by ballot, the balloting being continued until the offices are all filled. An election takes effect immediately if the candidate is present and does not decline. After the election has taken effect and the officer or member has learned the fact, it is too late to reconsider the vote on the election. An officer-elect takes possession of his office immediately, unless the rules specify the time. In most societies, it is necessary that this time be clearly designated."

According to Article II, Section 6 of the HACM Bylaws, "The Chair and Vice Chair shall serve one-year terms with a limit of two consecutive terms." The current Chair, Hans Buder, and Vice Chair, Kathleen Ballesteros, have each served one year in their respective roles and are eligible to serve another term. All other Commissioners are also eligible to hold office. A copy of the Housing Authority of the County of Monterey Bylaws, revised February 27, 2017, with amendments, is attached for your reference.

The process below would satisfy Robert's Rules of Order for the election of officers and is an option for consideration:

- Open the floor to nominations for "Chair".
- "The floor is now open for nominations for the Chair of the Board of Commissioners of the Housing Authority of the County of Monterey." All nominations must be seconded to be accepted.
- "Are there any other nominations?"
- "Nominations are now closed."
- "Voting for the position of Chair will be conducted publicly, with each vote announced aloud"
- The Secretary will be responsible for conducting the vote tabulations
- Secretary: "Mr. Chairman, I count __ votes for Commissioner __ as Chair."
- Chair - Commissioner has been properly elected as the Chair of the Board of Commissioners of the Housing Authority of the County of Monterey."

Then repeat the process for Vice Chair.

Action: Nominate and elect a current Commissioner to serve as Chair and Vice Chair of the Housing Authority of the County of Monterey Board of Commissioners.

*original in
file*

**BYLAWS
OF
THE HOUSING AUTHORITY
OF THE
COUNTY OF MONTEREY
STATE OF CALIFORNIA
(Revised February 27, 2017)**

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BYLAWS
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
STATE OF CALIFORNIA
(Revised July 24, 2000)

ARTICLE I

THE AUTHORITY:

Section 1. Name of Authority. The name of the Authority shall be "HOUSING AUTHORITY OF THE COUNTY OF MONTEREY."

Section 2. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its organization.

Section 3. Office of Authority. The offices of the Authority shall be at such location in the City of Salinas, County of Monterey, State of California, as the Authority may, from time to time, designate by resolution. The Authority may hold its meetings at such places as it may, from time to time, designate by resolution.

Section 4. Governing Board. The governing board of the Authority shall be the Board of Commissioners. The members of the Board shall be appointed according to law. The Board may, from time to time, establish committees comprised of three or fewer Commissioners.

Section 5. Indemnification. The Authority shall indemnify and hold a Commissioner of the Board harmless to the fullest extent permitted by law against any lawsuit or threat of lawsuit arising out of or resulting from acts of said Commissioner which are performed within the scope of his or her duties as a Commissioner, including reasonable attorneys' fees (from reasonably competent counsel selected by the Authority), and judgments incurred in connection with such litigation or threat of litigation and to the fullest extent permitted by law against all expenses, judgments, fines, and other amounts actually and reasonably incurred by them in connection with any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative.

A Commissioner shall repay any amount(s) paid by the Housing Authority pursuant to the preceding paragraph, if it is later determined that the act or acts of the Commissioner (giving rise to the suit or threat of suit) were performed outside (rather than under) the scope of the Commissioner's duties as a Commissioner.

Section 6. Insurance of Board Members. The Agency, through the action of its Board of Commissioners may (from time to time) procure errors and omissions insurance coverage (from a non-public entity) whenever reasonably priced, therein naming the Housing Authority of the County of Monterey, and also the individual Commissioners as joint and several beneficiaries of said errors and omissions insurance policy. If and when such a private company carrier policy is not reasonably procurable at a reasonable price, then said errors and omissions insurance policy may be obtained through action of the Board, from HARRP or similar public entity insurance groups. Any deductible shall be payable by the Housing Authority of the County of Monterey under its aforementioned duty to indemnify its Board Members.

Section 7. Conflicts of Interest. No Commissioner or officer who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

ARTICLE II

OFFICERS:

Section 1. Officers. The officers of the Authority shall be a Chair, a Vice-Chair, and a Secretary.

Section 2. Chair. The Chair shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chair may sign contracts, deeds and other instruments made by the Authority. At each meeting, the Chair shall submit such recommendations and information as considered proper concerning the business, affairs, and policies of the Authority.

Section 3. Vice Chair. The Vice-Chair shall perform the duties of Chair in the absence or incapacity of the Chair. In case of the resignation or death of the Chair, the Vice-Chair shall perform such duties as are imposed on the Chair until such time as the Authority shall select a new Chair.

Section 4. Secretary. The Secretary shall be the Executive Director of the Authority and as Executive Director shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority. The Secretary shall be charged with the management of the housing projects of the Authority including signing contracts, deeds and other instruments made by the Authority in the normal course of business.

The Secretary shall keep the records of the Authority, act as a Secretary of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office. The Secretary shall keep in safe custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

The Secretary shall also be the Treasurer of the Authority. The Treasurer shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Authority may select. The Treasurer shall sign all orders and checks for payment of money and shall pay out and disburse such moneys under direction of the Authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall be countersigned by the Director of Finance. The Treasurer shall keep regular books of account showing receipts and expenditures and shall render to the Authority, at each regular meeting (or at least quarterly) an account of transactions and also of the financial condition of the Authority. The Treasurer shall give such bond for the faithful performance of duties as the Authority may require. The disbursements shall be provided to the Board of Commissioners for information only.

The compensation of the Secretary shall be determined by the Authority, provided that a temporary appointee selected from among the Commissioners of the authority shall serve without compensation other than the payment of necessary expenses.

In order to insure the smooth flow of business transactions upon delegation by the Executive Director, the designated Executive Director shall be authorized to sign all necessary documents.

Section 5. Additional duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the Bylaws or rules and regulations of the Authority.

Section 6. Election of Officers. The Chair and Vice Chair shall be elected from among all the Commissioners at the Annual Meeting in September beginning in the year 2001 by nomination through motion made and seconded and voted upon by the majority of Commissioners present at the Annual Meeting. The Chair and Vice Chair shall serve one year terms with two year consecutive term limits. Then the Chair and Vice Chair must sit out at least one year before being elected to another term.

Section 7. Vacancies. Should the offices of Chair or Vice-Chair become vacant, the Authority shall elect a successor from its membership at the next Regular Meeting and such election shall be for the unexpired term of said office.

Section 8. Appointment of Secretary. The Secretary shall be appointed by the Authority. Any person appointed to fill the office of Secretary or any vacancy therein, shall have such term the Authority fixes, but no Commissioners of the Authority shall be

eligible to this office except as a temporary appointee. When the office of Secretary becomes vacant, the Authority shall appoint a successor, as foresaid.

ARTICLE III

MEETINGS:

Section 1. Annual Meeting. The Annual meeting of the Authority shall be held on the date of the Regular September Meeting at the time and place stated in the notice of meeting.

Section 2. Regular Meetings. Regular meetings shall be held in accordance with the Brown Act at such time and place as may, from time to time, be determined by resolution or motion of the Authority or such other meeting day, time and place as shall be stated in the notice of meeting.

Notice of meetings shall be given in accordance with the Brown Act notice requirements.

Section 3. Special Meetings.

(a) The Chair of the Authority may, in the Chair's discretion, and shall, upon the request of two (2) members of the Authority, call a Special Meeting of the Authority for the purpose of transacting any business designated in the call. Notice of said meeting shall be given in accordance with the Brown Act. No business shall be considered at the Special Meeting other than designated in the call, except as permitted by law for matters of an emergency nature.

(b) An Emergency Meeting may be held in accordance with the Brown Act.

Section 4. Quorum. The powers of the Authority shall be vested in the Commissioners thereof in office from time to time. Four (4) Commissioners shall constitute a quorum for the purpose of conducting the Authority's business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Authority upon a vote of majority of the Commissioners empowered to vote.

Section 5. Alternate Chair. In the event a quorum of the Board is present for a meeting, but both the Chair and Vice Chair are absent, the Commissioners present shall select from among themselves a Commissioner to preside as Chair for that meeting.

Section 6. Manner of Voting. The voting on any resolution or issue coming before the Authority will be by roll call vote in accordance with California law. All "ayes" and "noes" on any vote shall be entered in the Minutes of such meeting.

Section 7. Rules of Order. In the absence of specific rules of order herein, Roberts Rules of Order shall prevail.

Section 8. Proceedings. Any unintentional, inadvertent or unavoidable violation of any of these Bylaws of any rule of procedure shall not affect the validity of any proceedings.

ARTICLE IV

AMENDMENTS TO BYLAWS:

The Bylaws of the Authority shall be amended only with the approval of at least four (4) of the members of the Authority at a Regular or Special Meeting, but no such amendment shall be adopted unless notice of meeting has been given pursuant to the Brown Act.

Original Bylaws adopted on March 17, 1941

Revised June 27, 1994

Revised July 29, 1996

Revised June 22, 1998

Revised July 24, 2000

Revised August 24, 2015

Revised February 27, 2017

Amendment #1 – December 18, 2000

Amendment #2 – February 25, 2002

Amendment #3 – April 25, 2005

Amendment #4 – August 24, 2015

Amendment #5 – August 24, 2015

ARTICLE V

Certificate of Secretary of the *HOUSING AUTHORITY OF THE COUNTY OF MONTEREY*

I hereby certify that I am the duly appointed and acting Secretary of the Board of Commissioners of the Housing Authority of the County of Monterey and that the foregoing Bylaws, comprising of thirteen pages including this page, constitute the Bylaws of the Housing Authority of the County of Monterey as duly revised at a meeting of the Board of Commissioners held on February 27, 2017 to include Amendment #1 dated December 18, 2000, Amendment #2 dated February 25, 2002, Amendment #3 dated April 25, 2005, Amendment #4 dated August 24, 2015, and Amendment #5 dated August 24, 2015.


Jean Goebel, Secretary

2-28-2017
Date

Amendment to Bylaws
of the
Housing Authority of the County of Monterey

Amendment #1

Article II, Section 4 Secretary

This issue was considered at the December 18, 2000, Regular Board Meeting under New Business, Item 9I, Resolution 2095, Recommended change in Bylaws Signature Authority. "The Treasurer shall sign all orders and checks for payments of money and shall pay out and disburse such moneys under direction of the authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall be countersigned by the Deputy Executive Director or Chief Financial and Housing Development Officer."

(Amend#1)

Amendment to Bylaws
of the
Housing Authority of the County of Monterey

Amendment #2
Article II, Section 4 Secretary

This issue was considered at the February 25, 2002, Regular Board Meeting under New Business, Item 7J, Bylaws, Article II, Section 4, page 5, disbursement procedure changed to read, The disbursements shall be provided to the Board of Commissioners for information only.

(Amend#2)

Amendment to Bylaws
Of the
Housing Authority of the County of Monterey

Amendment #3

Article I, Section 7 Conflicts of Interest

This issue was considered at the April 25, 2005, Regular Board Meeting under New Business, Item 8F, Change to HACM Bylaws. Article I, Section 7 was added to the Bylaws as stated below:

"Section 7. Conflicts of Interest. No Commissioner or officer who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter."

(Amend #3)

Amendment to Bylaws
of the
Housing Authority of the County of Monterey

Amendment #4
Article II, Section 4 Secretary

This issue was considered at the August 24, 2015, Regular Board Meeting under New Business.

Recommended change to Paragraph 3: "The Treasurer shall sign all orders and checks for payments of money and shall pay out and disburse such moneys under direction of the authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall be countersigned by the Director of Finance. The Treasurer shall keep regular books of account showing receipts and expenditures and shall render to the Authority, at each regular meeting (or at least quarterly) an account of transactions and also of the financial condition of the Authority.

Further recommended change to Paragraph 5: In order to insure the smooth flow of business transactions upon delegation by the Executive Director, the designated Executive Director shall be authorized to sign all necessary documents.

This Amendment replaces Amendment #1.

(Amend#4)

Amendment to Bylaws
of the
Housing Authority of the County of Monterey

Amendment #5

Article III, Section 7. Manner of Voting.

This issue was considered at the August 24, 2015, Regular Board Meeting under New Business.

Recommended change to Manner of Voting: The voting on any resolution or issue coming before the Authority will be by roll call vote in accordance with California law. All "ayes" and "noes" on any vote shall be entered in the minutes of such meeting.

(Amend#5)

RESOLUTION 3141

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF MONTEREY, APPROVING THE PROJECT PLANS AND SPECIFICATIONS AND AWARDING CONTRACTS TO: (1) PRECISION CONSTRUCTION & PROPERTY DAMAGE MITIGATION INC; (2) ELITE GLASS COMPANY; AND (3) QUALITY PLUMBING ASSOCIATES, INC.

WHEREAS, the Housing Authority of the County of Monterey (“Housing Authority”) has undertaken the King City Homekey Project, also known as Casa de Esperanza, pursuant to which the Housing Authority will be renovating the Days Inn Motel, located at 1130 Broadway Street, King City, CA to serve as affordable housing for individuals currently experiencing homelessness (“Project”); and

WHEREAS, the Housing Authority intends to act as General Contractor for the Project; and

WHEREAS, the Project is more particularly described in the plans and specifications for the Project which are located at the Housing Development Corporation’s offices at 303 Front Street, #107, Salinas, CA 93901 (“Plans and Specifications”); and

WHEREAS, the Housing Authority issued Requests for Proposals, nos. HACM-2025-09, and HACM 2025-11, on or about June 24, 2025 and July 7, 2025 (each an “RFP”, and collectively “RFPs”) seeking proposals to provide special services for the Project; and

WHEREAS, Precision Construction & Property Damage Mitigation Inc, a California corporation, dba Precision Construction (“Precision Construction”) responded to the RFPs through separate proposals with respect to landscaping services, specified construction services relating primarily to work on the interior walls of the Days Inn Motel, and cabinetry and countertop procurement and installation services (collectively “Special Services”); and

WHEREAS, no other proposals were received for the Special Services; and

WHEREAS, Precision Construction proposed to perform the Special Services for a total sum of \$964,376; and

WHEREAS, Housing Authority staff reviewed Precision Construction’s proposals, and recommends that the Housing Authority award work on the Special Services to Precision Construction; and

WHEREAS, the Housing Authority’s counsel has prepared a draft contract to enter into with Precision Construction for the Special Services, which is attached



hereto as **Exhibit A** and incorporated herein by reference (“Special Services Contract”); and

WHEREAS, the Housing Authority, through the June 24, 2025 RFP, also sought services relating to glass installation, glazing, and window work for the Project (“Window Services”); and

WHEREAS, Elite Glass Company responded to the June 24, 2025 RFP and proposed to perform the Window Services for a total cost of \$133,543.62; and

WHEREAS, no other proposals were received for the Window Services; and

WHEREAS, Housing Authority staff reviewed Elite Glass Company’s proposal, and recommends that the Housing Authority award work on the Window Services to Elite Glass Company; and

WHEREAS, staff and the Housing Authority’s counsel intend to use the draft agreement with Precision Construction as a template for drafting an agreement with Elite Glass Company in the amount of Elite Glass Company’s proposal; and

WHEREAS, the Housing Authority, through the June 24, 2025 RFP, also sought services relating to plumbing work for the Project (“Plumbing Services”); and

WHEREAS, the Housing Authority received two responses to the RFP relating to Plumbing Services,

WHEREAS, No Worries Plumbing responded to the June 24, 2025 RFP and proposed to perform the Plumbing Services for a total cost of \$602,500.

WHEREAS, Quality Plumbing Associates, Inc., a California Corporation (“Quality Plumbing”) responded to the June 24, 2025 RFP and proposed to perform the Plumbing Services for a total cost of \$579,370; and

WHEREAS, Housing Authority staff reviewed both proposals, and recommends that the Housing Authority award work on the Plumbing Services to Quality Plumbing, including among other reasons because it was the lowest qualified proposer in terms of cost and scored highest in the Housing Authority’s scoring matrix; and

WHEREAS, staff and the Housing Authority’s counsel intend to use the draft agreement with Precision Construction as a template for drafting an agreement with Quality Plumbing in the amount of Quality Plumbing’s proposal; and

WHEREAS, staff recommends the Board determine that the Project is exempt from CEQA because the Project does not present unusual circumstances



and involves only: (1) replacement or reconstruction of existing structures or facilities (14 CCR § 15302), the construction, installation, or conversion of small structures, facilities or equipment (14 CCR § 15303), and minor alterations to land, water or vegetation (14 CCR § 15305), and because it can be seen with certainty that there is no possibility the contract may have a significant effect on the environment (14 CCR § 15061(b)(3).)

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF MONTEREY, DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The foregoing Recitals are true and correct and are incorporated herein by this reference.

SECTION 2. The Board hereby approves the plans and specifications for the Project on file in the office of Housing Authority project manager for the Project.

SECTION 3. The Board accepts the proposals of Precision Construction in the total sum of \$964,376, and awards to Precision Construction the contract for performance of the Special Services, in accordance with the Plans and Specifications, in the amount of \$964,376.

SECTION 4. The Board approves and authorizes the Executive Director to negotiate and execute an agreement with Precision Construction in substantially the form of the Special Services Contract in the amount of \$964,376, plus a five percent adjustment for any final negotiations with Precision Construction or such other amount agreed. The Executive Director is further authorized to issue change orders up to 5% of the contract sum relating to performance of the Special Services.

SECTION 5. The Board accepts the proposal of Elite Glass Company in the total sum of \$133,543.62, and awards to Elite Glass Company the contract for performance of the Window Services, in accordance with the Plans and Specifications, in the amount of \$133,543.62.

SECTION 6. The Board approves and authorizes the Executive Director to negotiate and execute an agreement with Elite Glass Company in the amount of \$133,543.62 in a form similar to that of the Special Services Contract prepared for Precision Construction, plus a five percent adjustment in contract sum resulting from any final negotiations with Elite Glass Company. The Executive Director is further authorized to issue change orders up to 5% of the contract sum relating to performance of the Window Services.

SECTION 7. The Board accepts the proposal of Quality Plumbing in the total sum of \$579,370, and awards to Quality Plumbing the contract for performance of the Plumbing Services, in accordance with the Plans and Specifications, in the amount of \$579,370.



SECTION 8. The Board approves and authorizes the Executive Director to negotiate and execute an agreement with Quality Plumbing in the amount of \$579,370 in a form similar to that of the Special Services Contract prepared for Precision Construction, plus a five percent adjustment in contract sum resulting from any final negotiations with Quality Plumbing. The Executive Director is further authorized to issue change orders up to 5% of the contract sum relating to performance of the Plumbing Services.

SECTION 9. The Project is exempt from CEQA under the following CEQA guidelines:

(1) Section 15302 since it involves replacement or reconstruction of existing structures or facilities.

(2) Section 15303 since it involves installation of small new equipment and facilities in structures.

(3) Section 15305 since it involves minor alterations to land, water or vegetation.

(4) Section 15061(b)(3) because it can be seen with certainty that there is no possibility the Project may have a significant effect on the environment.

SECTION 10. The Project does not present any unusual circumstances under CEQA, and no exceptions apply which would preclude the applicability of the exemptions noted above.

SECTION 11. The Clerk of the Board shall certify to the adoption of this Resolution, which, shall in turn, have immediate effect.

PASSED, APPROVED, and ADOPTED this [redacted] day of [redacted] 2025.

Kathleen Ballesteros, Vice Chair

ATTEST:

Secretary



EXHIBIT A

**CONTRACT FOR SPECIAL SERVICES
BY AND BETWEEN
HOUSING AUTHORITY OF THE
COUNTY OF MONTEREY
AND PRECISION CONSTRUCTION & PROPERTY DAMAGE MITIGATION INC**

This CONTRACT FOR SPECIAL SERVICES (“Contract” or “Agreement”) is made on _____ (“Effective Date”) by and between the Housing Authority of the County of Monterey, a public agency (“HACM” or “Owner”) and Precision Construction & Property Damage Mitigation Inc, a California corporation, dba Precision Construction (“CONTRACTOR”). HACM and CONTRACTOR are each a “Party” and are collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, HACM owns the Days Inn Motel, located at 1130 Broadway Street, King City, CA (“Days Inn”);

WHEREAS, HACM is undertaking the King City Home Key project, which involves the renovation of the Days Inn located on a 1 acre parcel in King City. (“Project.”) The two story facility is slated for conversion into 45 studio units aimed at providing stable, affordable housing for individuals currently experiencing homelessness along the Salinas River encampments.

WHEREAS, HACM obtained grant funding from California Department of Housing and Community Development (“HCD”), and the Central California Alliance for Health (“CAAH”) to perform work at Days Inn;

WHEREAS, HACM is acting as General Contractor for the Project;

WHEREAS, the following services are needed for the Project:

- A comprehensive landscaping solution, including among other things, developing and implementing a landscape design, grading, designing and constructing a dog walk and dog park design, and performing debris removal.
- Specified construction services; and
- Cabinetry & countertops procurement and installation services are needed for the Project

WHEREAS, HACM issued Requests for Proposals, Nos. HACM-2025-09, and HACM-2025-11, on or about June 24, 2025, and July 7, 2025 (collectively “RFPs”) seeking proposals for the aforementioned services¹ (collectively “Special Services”);

¹ HACM-2025-11 also sought proposals for other services relating to the Project, but those other services are going to be performed by other contractors.

WHEREAS, CONTRACTOR is qualified to perform such Special Services;

WHEREAS, CONTRACTOR submitted proposals on August 19, 2025 (landscaping; architectural and specified construction), and September 8, 2025 (cabinetry & countertops) in response to the RFPs (collectively "Proposal"); and

WHEREAS, CONTRACTOR was the successful proposer in connection with HACM's RFPs with respect to the Special Services;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

1. RECITALS. The above recitals are true and correct, and are part of this Contract.
2. DESCRIPTION OF SERVICES. CONTRACTOR shall furnish all labor, material and equipment as outlined and specified in the Scope of Services attached hereto as Exhibit A and incorporated herein by this reference (collectively, "Service" or "Services" also referred to as the "Work").

2.1 CONTRACTOR shall comply with all applicable codes, laws, or regulations.

2.2 CONTRACTOR affirms that it is fully apprised of all of the work to be performed under this Contract and CONTRACTOR agrees it can properly perform this work;

2.3 Acceptance by HACM of CONTRACTOR's work does not operate as a release of CONTRACTOR's responsibility for full compliance with the terms of this Contract.

2.4 CONTRACTOR represents and maintains that it is skilled in the professional calling necessary to perform all services, duties and obligations required by this Contract and to fully and adequately provide all services. CONTRACTOR understands and agrees that HACM is relying upon this representation. CONTRACTOR shall perform the services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. CONTRACTOR further represents and warrants to HACM that it has all licenses, permits, qualifications and approvals of whatever nature that are legally required to practice its profession. CONTRACTOR further represents that it shall keep all such licenses and approvals in effect during the Term of this Contract.

3. PERIOD OF PERFORMANCE.

3.1 Term. The term of this Contract shall commence on the Effective Date and continue until such a time as mutually agreed by the parties in writing, unless earlier terminated pursuant to section 14 below ("Term").

3.2 Preconstruction Services. CONTRACTOR, upon the effective date, is expected to begin performing the obligations in the Scope of Services, which is attached as Exhibit A. Before receiving a Notice to Proceed, CONTRACTOR will generally assist with preparation

and planning for the Project, including developing a Landscaping Plan, working on project management tasks, and assisting with development of an asbestos abatement demolition plan, and related logistics. During this time, CONTRACTOR will also prepare and submit the Schedule of Values discussed in Exhibit H, which will be used for measurement and payment. CONTRACTOR will also perform any planning and investigation work required prior to commencing cavitation and grading work to protect underground facilities.

3.3 CONTRACTOR understands and agrees that there is other work to be performed on site not contemplated in this Contract, and that the components of the overall Project contemplated under this Contract will need to be scheduled at an appropriate time in HACM's sole discretion that accommodates this and other factors. HACM will issue Notices to Proceed with specific categories of work at an appropriate time within the scope of the overall Project as described in the Scope of Services attached hereto as Exhibit A.

3.4 The Contract Time for completion of specified project categories is provided in Exhibit B.

3.5 Time is of the essence in the performance of all the terms and conditions of this Contract.

3.6 All performance and cure periods expire at 5:00 p.m., Monterey, California time on the applicable date.

3.7 A performance or cure date which otherwise would be a Saturday, Sunday or HACM holiday shall be extended to the next HACM working day.

3.8 "Days" refers to calendar days unless otherwise specified.

3.9 Liquidated Damages

3.9.1 CONTRACTOR AND HACM HEREBY AGREE THAT THE EXACT AMOUNT OF DAMAGES FOR FAILURE TO COMPLETE THE WORK WITHIN THE TIME SPECIFIED IS EXTREMELY DIFFICULT OR IMPOSSIBLE TO DETERMINE. IF THE WORK IS NOT COMPLETED IN THE TIME SET FORTH IN THE AGREEMENT, IT IS UNDERSTOOD THAT HACM WILL SUFFER DAMAGES. IT BEING IMPRACTICAL AND UNFEASIBLE TO DETERMINE THE AMOUNT OF ACTUAL DAMAGE, IT IS AGREED THE CONTRACTOR SHALL PAY TO HACM THE AMOUNT LIQUIDATED DAMAGES SET FORTH IN THE AGREEMENT, FOR EACH CALENDAR DAY OF DELAY IN REACHING FINAL COMPLETION.

3.9.2 CONTRACTOR shall be assessed liquidated damages if CONTRACTOR fails to complete specified work within the CONTRACT TIME for any applicable category of work. The amount of liquidated damages shall be \$250 per day.

4. COMPENSATION/PAYMENT.

4.1 HACM will compensate CONTRACTOR for all services rendered, products provided and costs and expenses incurred for the Service as provided pursuant to this Contract Time attached hereto as Exhibit B and incorporated herein by this reference. Payment shall be made consistent with the measurement and payment procedures provided in Exhibit G.

4.2 The maximum total amount of compensation paid to the CONTRACTOR by HACM pursuant to this Contract shall not exceed the maximum total sum of nine hundred sixty-four thousand, three hundred seventy-six Dollars (\$964,376.00), including any expenses ("Maximum Contract Amount" or "Contract Sum").

4.3 HACM is not responsible for any fees or costs above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products, unless agreed to by HACM in writing.

4.4 CONTRACTOR shall submit applications for payment to HACM in accordance with Exhibit G attached hereto. HACM shall process applications for payment consistent with Exhibit G.

4.5 No payroll or employment taxes of any kind will be withheld or paid by HACM on behalf of CONTRACTOR. HACM will not treat CONTRACTOR as an employee with respect to the Contract services for any purpose, including federal and state tax purposes. CONTRACTOR understands and agrees that it is CONTRACTOR's sole responsibility to pay all taxes required by law, including self-employment social security tax. HACM will issue an IRS 1099 Form, or other appropriate tax reporting document, to CONTRACTOR for the Contract Services.

5. ADDITIONAL SERVICES. The CONTRACTOR shall not perform any additional services or incur additional expenses, outside of this Contract, without first receiving the express written consent to proceed from HACM in the form of an amendment to this Contract.

6. AMENDMENTS TO WORK PROGRAM. Any amendments or modifications to this Contract shall require the prior written approval of the HACM Board of Directors, unless such amendment or modification is within the delegated authority of the HACM Executive Director as authorized by the HACM Board of Directors. Such changes shall be mutually agreed upon by and between the Executive Director and CONTRACTOR and shall be incorporated in written amendments to this Contract. Any requested changes to the Contract Sum or Contract Time will be made solely pursuant to the procedures set forth in, and subject to the limitations provided in, Exhibit H ("Modifications").

7. INSPECTION OF SERVICES. All performances under this Contract shall be subject to inspection by HACM. CONTRACTOR shall provide adequate cooperation to HACM representative to permit him/her to determine CONTRACTOR's conformity with the terms of this Contract. If any services performed or products provided by CONTRACTOR are not in

conformance with the terms of this Contract or the RFP, or applicable codes, regulations, laws, or requirements of any permit or inspector, HACM shall have the right to require CONTRACTOR to perform the services or provide the products in conformance with the foregoing at no additional cost to HACM. When the services to be performed or the products to be provided are of such nature that the difference cannot be corrected, HACM shall have the right to: (1) require CONTRACTOR immediately to take all necessary steps to ensure future performance in conformity with the terms of this Contract; and/or (2) if applicable, reduce the Contract price to reflect the reduced value of the services performed or products provided. HACM may also terminate this Contract for default and charge to CONTRACTOR any costs incurred by HACM because of CONTRACTOR's failure to perform.

CONTRACTOR shall establish adequate procedures for self-monitoring to ensure proper performance under this Contract; and shall permit an HACM representative to monitor, assess or evaluate CONTRACTOR's performance under this Contract at any time upon reasonable notice to CONTRACTOR.

8. INDEPENDENT CONTRACTOR.

CONTRACTOR shall act as an independent contractor performing work under the Contract, maintaining complete control over its employees and all of its subcontractors. CONTRACTOR shall perform all work in an orderly, timely, and workmanlike manner. CONTRACTOR shall also enforce strict discipline, satisfactory conduct and order among its employees and subcontractors.

Before starting work, CONTRACTOR shall designate in writing its authorized representative who shall have the authority to represent and act for CONTRACTOR. The CONTRACTOR's authorized representative shall be supported by competent assistants, as necessary, and the authorized representative and his/her assistants shall be satisfactory to HACM. CONTRACTOR shall provide a clear, written definition of the scope of the authorized representative's and assistant(s') authority to act for CONTRACTOR, and shall specify any and all limitations on such authority. The authorized representative shall be present or be duly represented at the site of work at all times when work is actually in progress. During periods when work is suspended, arrangements acceptable to HACM shall be made for any emergency work which may be required. HACM reserves the right to have the authorized representative removed from the Project and replaced with another person who is acceptable to HACM. All requirements, instructions, and other communications given to the authorized representative by HACM shall be as binding as if given to CONTRACTOR. Before starting work, CONTRACTOR shall give the HACM a written list of the addresses and telephone numbers where the CONTRACTOR's authorized representative and assistants, including the project manager, project superintendent, and foremen, can be reached during hours when the work is not in progress.

CONTRACTOR shall employ only competent workers in numbers sufficient to complete the work within the time limits specified or required to meet approved construction schedules. Each machine or unit of equipment shall be operated by a person competent in handling the particular machine or equipment in use, at a speed or rate of production not to exceed that recommended by the manufacturer.

When required by HACM, CONTRACTOR shall remove from the work any person who commits trespass, or is, in the opinion of HACM, incompetent or acts in a disorderly, insubordinate, or otherwise objectionable manner. HACM's policy is zero tolerance for any person who acts in a dangerous or threatening manner to any persons participating in the work, or is under the influence of alcohol or illegal drugs. HACM will remove or require the immediate removal of all persons who demonstrate such behavior and may be grounds to find CONTRACTOR in breach of contract. Such removal or termination shall not be the basis of any claim against HACM, or any of its officers or representatives. However, nothing contained in this section shall be used to shift the responsibility for supervision of CONTRACTOR's employees or subcontractors from CONTRACTOR to HACM or to require HACM to take any action with regard to any employee of CONTRACTOR or its subcontractors.

CONTRACTOR shall maintain labor relations in such manner and by such methods as will provide for harmony among workers. CONTRACTOR shall assure that its subcontractors of all tiers comply with the provisions set forth in this Section. Failure of the CONTRACTOR or any of its subcontractors at any tier to comply with these provisions shall be considered as grounds for termination of the Contract.

9. SUBCONTRACT FOR WORK OR SERVICES. No contract shall be made by CONTRACTOR with any other party for furnishing any of the work or services under this Contract without the prior written approval of HACM; but this provision shall not require the approval of contracts of employment between CONTRACTOR and personnel assigned under this Contract, or for Parties agreed to under this Contract.

10. NO EXCLUSIVITY. This is not an exclusive agreement, and CONTRACTOR acknowledges that nothing in this Contract will be deemed to create any exclusivity for the benefit of CONTRACTOR, or otherwise waive, limit, or impair HACM's ability to contract with other third-parties providing the same or similar services as provided by the CONTRACTOR pursuant to this Contract.

11. INDEMNIFICATION.

11.1 Indemnification. CONTRACTOR shall indemnify, defend (using counsel of Indemnitee's choice), and hold harmless HACM, its directors, officers, Board of Directors, elected and appointed officials, employees, agents and representatives and other contractors (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any act, omission, or services of CONTRACTOR, its officers, employees, subcontractors, independent contractors, agents or representatives arising out of or in any way relating to this Contract, including but not limited to property damage, bodily injury, or death (HACM employees included), or any other element of damage of any kind or nature whatsoever, relating to or in any way connected with or arising from the performance of CONTRACTOR, its officers, employees, subcontractors, independent contractors, agents or representatives under this Contract, except to the extent caused by the gross negligence or willful misconduct of an Indemnitee. CONTRACTOR shall defend, at its sole expense, all costs and fees including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or legal action based upon such alleged acts or omissions. The specified insurance

limits required in this Contract shall in no way limit or circumscribe CONTRACTOR's obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

HACM does not, and shall not, waive any rights that it may possess against CONTRACTOR because of acceptance by HACM, or the deposit with HACM, of any insurance policy or certificate required pursuant to this Contract. This hold harmless, indemnification and defense provision shall apply regardless of whether or not any insurance policies determined to be applicable to the claim, demand, damage, liability, loss, cost or expense. The indemnity obligations of CONTRACTOR contained in this Contract shall survive the termination and expiration of this Contract.

11.2 Intellectual Property. In addition to the general indemnification included in section 11.1, CONTRACTOR agrees to the following.

A. Patent, Copyright and Trade Secret Indemnity.

1. CONTRACTOR shall indemnify and hold HACM, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with this Agreement.

2. CONTRACTOR, at its own expense, shall defend any action brought against HACM to the extent that such action is based upon a claim that the equipment, parts, or software supplied by CONTRACTOR or the operation of equipment, or parts pursuant to a current version of CONTRACTOR supplied operating software infringes a patent or copyright or violates a trade secret. CONTRACTOR shall pay those costs and damages finally awarded against HACM in any such action. Such defense and payment shall be conditioned on the following:

a. That CONTRACTOR shall be notified within a reasonable time in writing by HACM of any notice of such claim; and

b. That CONTRACTOR shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when principles of government or public law are involved, HACM shall have the option to participate in such action at its own expense.

3. Should the equipment, parts, or software, or the operation thereof, become, or in CONTRACTOR's opinion are likely to become, the subject of a claim of infringement of a patent or copyright or a trade secret, HACM shall permit CONTRACTOR at its option and expense either to procure for HACM the right to continue using the equipment, parts, or software, or to replace or modify the same so that they become non infringing. If none of these options can reasonably be taken, or if the use of such equipment, parts, or software by HACM shall be prevented by injunction, CONTRACTOR agrees to take back such equipment, parts, or software and make every reasonable effort to assist HACM in procuring substitute equipment, parts, or software. If, in the sole opinion of HACM, the return of such infringing equipment, parts, or software makes the retention of other equipment, parts, or software acquired from CONTRACTOR under the Agreement impractical, HACM shall then have the option of

terminating the Agreement, or applicable portions thereof, without penalty or termination charge. CONTRACTOR agrees to take back such equipment, parts, or software and refund any sums HACM has paid CONTRACTOR less any reasonable amount for use or damage.

4. CONTRACTOR certifies that it has appropriate systems and controls in place to ensure that HACM funds will not be used in the performance of the work for the acquisition, operation or maintenance of computer software in violation of copyright laws.

11.3 CONTRACTOR's Liability For Injury To Persons Or Damage To Property, Goods To Be Installed.

a. CONTRACTOR shall be liable for damages arising out of injury to the person and/or damage to HACM property, HACM employees, persons designated by HACM for training, or any other person(s) other than CONTRACTOR's agents or employees, designated by HACM for any purpose prior to, during, or subsequent to delivery, installation, acceptance, and use of the items installed pursuant to this Contract either at CONTRACTOR's site, HACM's place of business, or the Project site, provided that the injury or damage was caused by CONTRACTOR's fault or negligence.

b. Goods procured and supplied by CONTRACTOR pursuant to this Contract, including without limitation sinks and cabinetry, shall be timely delivered F.O.B. to the place of destination - Days Inn. All risk of loss, and liability with respect to the Goods shall remain with CONTRACTOR until the goods are installed pursuant to this Contract and have been inspected and accepted by HACM.

12. INSURANCE AND BONDS. Without limiting or diminishing the CONTRACTOR's obligation to indemnify or hold HACM and the Indemnitees harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense insurance meeting the requirements of Exhibit C.

12.1 General Insurance Provisions - All lines.

- (a) Any insurance carrier must meet the requirements of "Acceptability of Insurers" in Exhibit C.
- (b) Any deductibles or self-insured retentions must be declared to and approved by HACM. At the option of HACM; the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects HACM, its officers, officials, employees and volunteers; or the Consultant/Contractor/Organizers shall provide a financial guarantee satisfactory to HACM guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- (c) Commercial General Liability insurance must meet the requirements of "Other Insurance Provisions" in Exhibit C.
- (d) CONTRACTOR shall furnish HACM with certificates of insurance as required by Exhibit C, "Verification of Coverage."

- (e) CONTRACTOR shall name, on any policy of insurance required under this Agreement, HACM, the State of California, CCAH, and their respective officers, employees, agents, volunteers and independent contractors as additional insureds. Subcontractors shall name the same as additional insureds. The Additional Insured Endorsement shall, at the least, provide coverage equivalent to, or as broad as Additional Insured Endorsement Form CG 20 10 11 85 as published by the ISO (Insurance Services Office) or similar forms with the express written permission of HACM with coverage not less broad, and must state that coverage is afforded the additional insured with respect to claims arising out of operations performed by or on behalf of the insured including completed operations. If the additional insureds have other insurance which is applicable to the loss, such other insurance shall be on an excess or contingent basis. The insurance provided by CONTRACTOR pursuant to section 12.1(e) must be designated in the policy as primary and non-contributory to any insurance obtained by HACM. The amount of the insurer's liability shall not be reduced by the existence of such other insurance. The General Aggregate Limit shall be provided on a per project basis. CONTRACTOR shall furnish a Blanket Waiver of Subrogation Endorsement related to the General Liability Insurance Policy. All requirements outlined above shall be confirmed via endorsement listing the insureds policy number as shown on the insured's Certificate of Insurance.
- (f) If, during the term of this Contract or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of services; or, the term of this Contract, including any extensions thereof, exceeds two (2) years; HACM reserves the right to adjust the types of insurance and the monetary limits of liability required under this Contract, if in HACM's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.
- (g) CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Contract.
- (h) The insurance requirements contained in this Contract may be met with a program(s) of self-insurance acceptable to HACM.
- (i) CONTRACTOR agrees to notify HACM of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Contract.

12.2 CONTRACTOR shall provide to HACM performance and payment bonds in a penal sum amount equal to 100% of the initial Contract Sum in substantially the form of Exhibits I and J. Upon the request of any person or entity appearing to be a potential beneficiary of the payment bond, CONTRACTOR shall promptly furnish to such person or entity a complete copy of the bond.

13. GENERAL.

13.1 CONTRACTOR shall not provide any services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to HACM pursuant to this Contract, free from all liens, claims or encumbrances.

13.2 CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations, in connection with performance of the services set forth in this Contract. CONTRACTOR will comply with all applicable HACM policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the CONTRACTOR shall comply with the more restrictive law or regulation.

13.3 CONTRACTOR shall be liable for any damage caused by CONTRACTOR to any HACM properties during CONTRACTOR's performance of the services or authorized extra work, and such damage shall be repaired at the CONTRACTOR's sole expense.

13.4 CONTRACTOR represents and warrants that CONTRACTOR is registered to do business in the State of California with the California Secretary of State.

13.5 CONTRACTOR acknowledges that HACM may enter into agreements with other contractor or consultants for services similar to the services that are the subject of this Contract or may have its own employees perform services similar to the services contemplated by this Contract.

13.6 Without limiting CONTRACTOR's hold harmless, indemnification and insurance obligations set forth herein, in the event any claim or action is brought against HACM relating to CONTRACTOR's performance or services rendered under this Contract, CONTRACTOR shall render any reasonable assistance and cooperation which HACM shall require.

14. TERMINATION.

14.1 HACM may terminate this Contract without cause at any time upon written notice served upon the CONTRACTOR stating the extent and effective date of termination.

14.2 HACM may, upon five (5) days written notice, terminate this Contract for CONTRACTOR's default, if CONTRACTOR refuses or fails to comply with the terms of this Contract or fails to make progress so as to endanger performance and does not immediately cure such failure. In the event of such termination, HACM may proceed with the work in any manner deemed proper by HACM.

14.3 After receipt of the notice of termination, CONTRACTOR shall:

- (a) Stop all work under this Contract on the date specified in the notice of termination; and

- (b) Transfer to HACM and deliver in the manner as directed by HACM any data, estimates, graphs, summary reports, or other related materials and or records, as may have been prepared or accumulated by CONTRACTOR in performance of services, whether completed or in progress or which, if the Contract had been completed or continued, would have been required to be furnished to HACM.

14.4 After termination, HACM shall make payment only for CONTRACTOR'S performance, which has been completed and accepted by HACM, up to the date of termination in accordance with this Contract.

14.5 CONTRACTOR's rights under this Contract shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or a willful or material breach of this Contract by CONTRACTOR; or in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the terms of this Contract. In such event, CONTRACTOR shall not be entitled to any further compensation under this Contract.

14.6 If the termination is due to a default by CONTRACTOR, HACM may take over the work and prosecute the same to completion by contract or otherwise. CONTRACTOR shall be liable to HACM for any reasonable additional costs incurred by HACM to revise work for which HACM has compensated CONTRACTOR under this Contract, but which HACM has determined in its sole discretion needs to be revised in part or whole to complete the services required under this Contract. Following discontinuance of services, HACM may arrange for a meeting with CONTRACTOR to determine what steps, if any, CONTRACTOR can take to adequately fulfill its requirements under this Contract. In its sole and absolute discretion, HACM's representative may propose an adjustment to the terms and conditions of the Contract, including the Contract price. Such contract adjustments, if accepted in writing by the Parties, shall become binding on CONTRACTOR and shall be performed as part of this Contract. In the event of termination due to a default by CONTRACTOR this Contract shall terminate immediately upon CONTRACTOR's receipt of the notice of termination. Termination of this Contract for cause may be considered by HACM in determining whether to enter into future contracts with CONTRACTOR.

14.7 The rights and remedies of HACM provided in this Section are in addition to any other rights and remedies provided by law, in equity or under this Contract.

15. FORCE MAJEURE. If either Party is unable to comply with any provision of this Contract due to causes beyond its reasonable control, and which could not have been reasonably anticipated, such as Acts of God, acts of war, civil disorders, or other similar acts, such Party shall not be held liable for such failure to comply, provided the other Party receives written notice of such force majeure event no later than five (5) calendar days after commencement of such force majeure event. The spread or effects of Covid-19, and any variants thereof, can be reasonably anticipated and do not constitute a force majeure event. Tariffs imposed by the US government, and any resulting supply disruptions do not constitute a force majeure event.

16. PREVAILING WAGE; WAGE AND HOUR COMPLIANCE.

16.1 CONTRACTOR agrees to comply with each and every provision of the Section 1770 through Section 1780 of the Labor Code relating to prevailing wages, as well as the Davis-Bacon Act. CONTRACTOR shall be required to forfeit to HACM the amount of Two Hundred Dollars (\$200) for each calendar day, or portion thereof, for each workman paid less than the prevailing wages as determined for the work done herein. The difference between prevailing wage rate and the amounts paid to each workman for each calendar day or portion thereof for which each workman was paid less than the prevailing wage rate shall be paid to each workman by the CONTRACTOR. In the event of a discrepancy between state and federal prevailing wage rates, CONTRACTOR will pay the greater amount.

16.2 CONTRACTOR further agrees to comply with each and every provision of Section 1777.5 of the Labor Code of the State of California relating to apprenticeship standards and the employment of apprentices upon project and to comply with each and every provision of Section 1810 through 1815 of the Labor Code relating to the employment of workmen in excess of eight (8) hours in violation of the Labor Code.

16.3 CONTRACTOR is registered with the Department of Industrial Relations ("DIR") in accordance with California Labor Code section 1725.5 et seq. CONTRACTOR's Registration number with DIR is _____.

16.4 CONTRACTOR shall provide HACM with a list of all subcontractors, if any, who will work on the project for CONTRACTOR to HACM as soon as practicable. All subcontractors shall be duly licensed and certified to perform the work with which they are tasked.

16.5 Contractor and its Subcontractors shall be responsible for compliance with Labor Code Section 1776. This Project is subject to prevailing wage compliance monitoring and enforcement by the Department of Industrial Relations.

16.6 CONTRACTOR and Subcontractors must keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the Work of the Contract Documents. Each payroll record shall contain or be verified by a written declaration as required by Labor Code Section 1776.

16.7 The payroll records enumerated above must be certified and shall be available for inspection at all reasonable hours at the principal office of the CONTRACTOR as required by Labor Code Section 1776.

16.8 CONTRACTOR shall inform HACM of the location of records enumerated above, including the street address, City/Town and county, and shall, within five working days, provide a notice of a change of location and address.

16.9 CONTRACTOR or Subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated above. In the event that the CONTRACTOR or Subcontractor fails to comply with the ten-day period, he or she shall, as a penalty to HACM on whose behalf the contract is made or awarded, forfeit \$100.00 for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the

request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. CONTRACTOR is not subject to a penalty assessment pursuant to this Paragraph due to the failure of a Subcontractor to comply with this Paragraph.

16.10 With each payment application, CONTRACTOR shall also deliver certified payrolls to HACM as set forth above in this Contract, and concurrently therewith (but in no event less frequently than monthly) directly to the Labor Commissioner in the format prescribed by the Labor Commissioner.

16.11 CONTRACTOR shall post all jobsite notices if and when prescribed by regulation.

16.12 CONTRACTOR stipulates that it shall comply with all applicable wage and hour laws, including without limitation, Labor Code Sections 1810-1815. Failure to so comply shall constitute a default under this Contract.

16.12.1 Eight hours of labor performed in execution of the Contract constitutes a legal day's work. The time of service of any worker employed on the Project is limited and restricted to 8 hours during any one calendar day, and 40 hours during any one calendar week.

16.12.2 CONTRACTOR and its Subcontractors shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by him or her in connection with the Project. The record shall be kept open at all reasonable hours to the inspection HACM and to the Division of Labor Standards Enforcement.

16.12.3 CONTRACTOR or its Subcontractors shall, as a penalty to HACM, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the Contract Documents by the respective CONTRACTOR or Subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Labor Code Sections 1810-1815.

16.12.4 Work performed on the Project by employees of CONTRACTOR or its Subcontractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1 1/2 times the basic rate of pay.

17. CONFLICT OF INTEREST. CONTRACTOR covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with CONTRACTOR's performance under this Contract. CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Contract. CONTRACTOR agrees to inform HACM in writing of all CONTRACTOR's interests, if any, which are or may be perceived as incompatible with HACM's interests.

CONTRACTOR shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Contract.

CONTRACTOR or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to HACM employees.

CONTRACTOR hereby certifies it will comply with the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352). It will not and has not used any funds from this Contract to pay any person or organization for influencing or attempting to influence an office or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. CONTRACTOR shall also disclose to HACM any lobbying that takes place in connection with obtaining any Federal Award.

18. ADMINISTRATION. HACM shall administer this Contract through Ricardo Calderon, Project Manager, or such other representative HACM's Executive Director may designate. _____ shall administer this Contract on behalf of CONTRACTOR.

19. ASSIGNMENT. This Contract shall not be delegated or assigned by CONTRACTOR, either in whole or in part, without prior written consent of HACM. Any assignment or purported assignment of this Contract by CONTRACTOR without the prior written consent of HACM will be deemed void and of no force or effect.

20. NONDISCRIMINATION; EQUAL EMPLOYMENT. CONTRACTOR shall not discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, age, religious creed, color, national origin, ancestry, disability (including HIV or AIDS status), medical condition, sexual orientation, marital or domestic partner status, sex or gender identity in the performance of this Contract; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment Practices Act (commencing with Section 1410 of the Labor Code), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

Additionally, in connection with employment, the CONTRACTOR will ensure that all applicants and employees are treated, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations to clients or the general public.

B. The CONTRACTOR will, in all solicitations or advertisements for employees placed by it or on its behalf, state it is an equal opportunity employer.

C. The CONTRACTOR will cause the foregoing provisions contained in this Section 20 to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

D. The CONTRACTOR shall provide all services to the public under this Contract in facilities that are accessible to persons with disabilities as required by state and federal law.

21. ALTERATION. No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the Parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

22. ELIGIBILITY. Services and benefits shall be provided by CONTRACTOR to individuals without reference to their ethnic group identification, race, age, religious creed, color, national origin, ancestry, disability, sexual orientation, marital or domestic partner status, sex or gender identity.

23. LICENSE AND CERTIFICATION. CONTRACTOR verifies upon execution of this Contract, possession of a current and valid license in compliance with any local, State, and Federal laws and regulations relative to the scope of services to be performed under Exhibit A and that services(s) will be performed by properly trained and licensed staff.

24. CONFIDENTIALITY. CONTRACTOR shall observe all Federal, State and HACM's regulations concerning confidentiality of records. The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Contract. The term "privileged or confidential information" includes but is not limited to: unpublished or sensitive technological or scientific information; social security numbers, medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; HACM information or data which is not subject to public disclosure; HACM operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

The CONTRACTOR shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Contract, except for general statistical information not identifying any person. The CONTRACTOR shall not use such information for any purpose other than carrying out the CONTRACTOR's obligations under this Contract. The CONTRACTOR shall promptly transmit to HACM all third party requests for disclosure of such information. The CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Contract or authorized in advance in writing by HACM, any such information to anyone other than HACM. For purposes of this section, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

25. WORK PRODUCT; OWNERSHIP.

25.1 All reports, landscaping plans, plans, preliminary findings, materials, or data assembled or compiled by CONTRACTOR under this Contract (collectively the "Documents") become the property of HACM. HACM reserves the right to authorize others to

use or reproduce the Documents. Therefore, the Documents shall not be circulated in whole or in part, nor released to the public, without the direct written authorization of HACM Executive Director or an authorized designee.

25.2 All Documents not already provided to HACM shall be delivered to HACM on the date of termination of this Agreement for any reason. The Documents may be used by HACM and its agents, employees, representatives, and assigns, in whole or in part, or in modified form, for all purposes HACM may deem appropriate without further employment of or payment of any compensation to CONTRACTOR.

26. GUARANTEE AND WARRANTIES.

25.1 CONTRACTOR does hereby guarantee the services performed pursuant to the scope of services ("Guarantee").

25.2 CONTRACTOR hereby grants to HACM for a period of one year following the date of Final Acceptance of the work completed, or such longer period specified in the Contract Documents, its unconditional warranty of the quality and adequacy of all of the work including, without limitation, all labor, materials and equipment provided by CONTRACTOR and its Subcontractors of all tiers in connection with the work ("Warranty").

25.3 Neither final payment nor use nor occupancy of the work performed by the CONTRACTOR shall constitute an acceptance of work not done in accordance with this Guarantee or relieve CONTRACTOR of liability in respect to any express warranties or responsibilities for faulty materials or workmanship. CONTRACTOR shall remedy any Defects in the work and pay for any damage resulting therefrom, which shall appear within ten years from the date of Final Acceptance of the Work completed.

25.4 If within one year after the date of Final Acceptance (or, with respect to maintenance, performance of the maintenance work), or such other period of time as may be prescribed by laws or regulations, or by the terms of Contract Documents or any extended warranty or guarantee, any work is found to be Defective, CONTRACTOR shall promptly, without cost to HACM and in accordance with HACM's written instructions, correct such defective work. CONTRACTOR shall remove any Defective work rejected by HACM and replace it with work that is not Defective, and satisfactorily correct or remove and replace any damage to other work or the work of others resulting therefrom. If CONTRACTOR fails to comply promptly with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, HACM may have the Defective work corrected or the rejected work removed and replaced. CONTRACTOR shall pay for all claims, costs, losses and damages caused by or resulting from such removal and replacement. Where CONTRACTOR fails to correct Defective work, or Defects are discovered outside the correction period, HACM shall have all rights and remedies granted by law.

25.5 CONTRACTOR shall respond within 72 hours to any claim made by HACM pursuant to this Guarantee and Warranty.

25.6 Observation and inspection of the Work shall not relieve CONTRACTOR of any of its obligations under the Contract Documents. Even though

equipment, materials, or Work required to be provided under the Contract Documents have been inspected, accepted, and estimated for payment, CONTRACTOR shall, at its own expense, replace or repair any such equipment, material, or Work found to be Defective or otherwise not to comply with the requirements of the Contract Documents up to the end of the Guarantee period.

25.7 This Guarantee and Warranty is in addition to any other CONTRACTOR warranties contained in the Contract Documents, and not in lieu of, any and all other CONTRACTOR liability imposed under the Contract Documents or at law. In the event of any conflict or inconsistency between the terms of this Guarantee, Warranty, and any CONTRACTOR warranty or obligation CONTRACTOR under the Contract Documents or at law, such inconsistency or conflict shall be resolved in favor of the greater protection to HACM.

25.8 CONTRACTOR shall provide copies of all manufacturer warranties to HACM's project manager before project closeout. Manufacturer warranties in paper form shall be placed in three-ring binders with dividers and tabs separating each warranty, with the divider and tab identifying which product the warranty corresponds to. Manufacturer warranties in electronic format shall be assembled in a PDF format with bookmarks identifying each warranty, and with a table of contents at the beginning of the PDF identifying each warranty.

25.9 "Defective" means work that is unsatisfactory or unsuited for the use intended, faulty, or deficient, that does not conform to the Contract, or does not meet the requirements of any inspection, reference standard, test or approval referred to in the Contract, or has been damaged before final payment (unless responsibility for the protection thereof has been assumed in writing by HACM). Unapproved substitutions are Defective. HACM is the judge of whether work is Defective. A "Defect" is a condition, component, or part that is unsatisfactory or unsuited for the use intended, faulty, or deficient, that does not conform to the Contract, or does not meet the requirements of any inspection, reference standard, test or approval referred to in the Contract, or has been damaged before final payment (unless responsibility for the protection thereof has been assumed in writing by HACM).

27. RECORDS AND DOCUMENTS. The CONTRACTOR, and any sub-consultants or sub-contractors, shall allow all duly authorized Federal, State, and/or HACM officials or authorized representatives, including all granting entities, access to the work area, as well as all books, documents, materials, papers, and records of the CONTRACTOR, and any sub-consultants or sub-contractors, that are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts, and transcriptions. The CONTRACTOR, and any sub-consultants or sub-contractors, further agree to maintain and keep such books, documents, materials, papers, and records, on a current basis, recording all transactions pertaining to this Contract in a form in accordance with generally acceptable accounting principles. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least five (5) years after the expiration of the term of this Contract. CONTRACTOR will allow interviews of any employees who might reasonably have information related to such records.

28. NONCONFORMING PAYMENTS. In the event CONTRACTOR receives payment under this Contract which is later disallowed by HACM for nonconformance with the terms of the Contract, CONTRACTOR shall promptly refund the disallowed amount to HACM on request; or at its option HACM may offset the amount disallowed from any payment due to CONTRACTOR.

29. NO PARTIAL DELIVERY OF SERVICES. CONTRACTOR shall not provide partial delivery or shipment of services or products unless specifically stated in the Contract.

30. LABOR STANDARDS. CONTRACTOR shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of California (Cal/OSHA).

CONTRACTOR hereby certifies that it will comply with all applicable labor laws, including but not limited to, the Walsh-Healy Act and the Contract Work Hours and Safety Standards Act (41 U.S.C. 51-58) regarding overtime compensation.

31. DISPUTES AND CLAIMS

31.1 General.

- (a) The parties shall deal in good faith and attempt to resolve potential disputes between the parties arising under, related to or involving the Contract, RFP, or Proposal (collectively “**Procurement Documents**”), informally. If the dispute persists, CONTRACTOR shall submit to the HACM written demand for a final decision regarding the disposition thereof, unless HACM, on its own initiative, has already rendered such a final decision. CONTRACTOR’s written demand shall be fully supported by factual information, and if such demand involves a cost adjustment, CONTRACTOR shall include with the demand a written statement signed by an authorized person indicating that the demand is made in good faith, that the supporting data is accurate and complete and that the amount requested accurately reflects an adjustment for which CONTRACTOR believes HACM is liable. If CONTRACTOR disagrees with HACM’s decision, CONTRACTOR’s sole and exclusive remedy is to file a claim in accordance with this Section 31. CONTRACTOR shall diligently prosecute the work under the Contract pending resolution of any claim.
- (b) The claim notice and documentation procedure described in this Section 31 applies to all claims and disputes arising under this Contract, including without limitation any claim or dispute by any subcontractor or material CONTRACTOR.
- (c) “**Claim**” means a written demand or written assertion by CONTRACTOR seeking, as a matter of right, the payment of money, the adjustment or interpretation of contract terms, or other relief arising under or relating to this Contract or the work to be performed hereunder. In order to qualify as a “claim,” the written demand must state that it is a claim submitted under

this Section 31. A voucher, invoice, proposed change, Application for Payment, cost proposal, change order request, or other routine or authorized form of request for payment is not a claim

- (d) The provisions of this Section 31 constitute a non-judicial claim settlement procedure, and also step one of a two-step claim presentment procedure by Procurement Agreement under Section 930.2 of the California Government Code. Specifically, step one is compliance with this contract claims procedure and filing/administering timely contract claims in accordance with the Procurement Documents first. Step two is filing a timely Government Code Section 910 claim in accordance with the California Government Code.
- (e) The provisions of this Section 31 shall survive termination, breach or completion of the work contemplated in this Contract. CONTRACTOR shall bear all costs incurred in the preparation and submission of a claim. Pursuant to Government Code Section 930.2, the one-year period in Government Code section 911.2 to file a Government Code Section 910 claim shall be reduced to 150 days. Any Government Code Section 910 claims shall be presented in accordance with the Government Code and shall affirmatively indicate CONTRACTOR's prior compliance with the claims procedure herein.
- (f) Pending the final resolution of any dispute arising under, related to or involving the Contract, CONTRACTOR shall diligently proceed with the performance of the Procurement Documents, including providing of Services. CONTRACTOR's failure to diligently proceed in accordance with the Scope of Services shall be considered a material breach of the Contract.

31.2 Procedure.

- (a) Upon receipt of CONTRACTOR's formal claim including all arguments, justifications, cost or estimates, schedule analysis, and documentation supporting its position as required herein, HACM or its designee will review the issue and render a final determination. HACM may in its discretion conduct an administrative hearing on CONTRACTOR's claim, in which case CONTRACTOR shall appear, participate, answer questions and inquiries, and present any further evidence or analysis requested by HACM to evaluate and decide CONTRACTOR's claim.
- (b) EXCEPT WHERE PROVIDED BY LAW, OR ELSEWHERE IN THIS CONTRACT (IF APPLICABLE), HACM SHALL NOT BE LIABLE FOR SPECIAL OR CONSEQUENTIAL DAMAGES, AND CONTRACTOR SHALL NOT INCLUDE THEM IN ITS CLAIMS.

31.3 Claim Format. CONTRACTOR shall submit the claim justification in the following format:

- (a) Cover letter and certification under penalty of perjury of the accuracy of the claim;
- (b) Summary of claim, including underlying facts, entitlement, schedule analysis, quantum calculations, contract provisions supporting relief;
- (c) List of documents relating to claim including clarifications/requests for information, schedules, notices of delay, and any others;
- (d) Chronology of events and correspondence;
- (e) Analysis of claim merit;
- (f) Analysis of claim cost; and
- (g) Attach supporting documents referenced in Paragraph 31.3 (c).

31.4 Mediation. All CONTRACTOR claims in excess of \$50,000 shall, as a condition precedent to litigation (or if otherwise permitted by the Procurement Documents, arbitration) thereon, first be mediated. Mediation shall be non-binding and utilize the services of a mediator mutually acceptable to the parties and, if the parties cannot agree, a mediator selected by the American Arbitration Association from its panel of approved commercial mediators. All statutes of limitation shall be tolled from the date of the demand for mediation until a date two weeks following the mediation's conclusion. All unresolved CONTRACTOR claims shall be submitted to the same mediator. The cost of mediation shall be equally shared.

31.5 Exclusive Remedy. CONTRACTOR's performance of its duties and obligations specified in this Section 31 and administration of a claim as provided in this Section 31 is CONTRACTOR's sole and exclusive remedy for disputes of all types pertaining to the payment of money, extension of time, the adjustment or interpretation of Procurement Documents terms or other contractual or tort relief arising from Procurement Documents. This exclusive remedy and the limitation of liability (expressed herein and elsewhere throughout Procurement Documents) apply notwithstanding the completion, termination, suspension, cancellation, breach or rescission of the Procurement or Procurement Documents, negligence or strict liability by HACM, its representatives, consultants or agents, or the transfer of Goods or Services to HACM for any reason whatsoever. CONTRACTOR waives and covenants not to use any claims of waiver, estoppel, release, bar, or any other type of excuse for non-compliance with the claim submission, administration, and mediation requirements. Compliance with the claim submission, administration, and mediation procedures described in this Section 31 is a condition precedent to the right to commence litigation or commence any other legal action. Claim(s) or issue(s) not raised in a timely protest and timely claim submitted under this Section 31 may not be asserted in any subsequent Government Code section 910 claim, litigation or legal action. HACM shall not be deemed to waive any provision under this Section 31, if at HACM's sole discretion, a claim is administered in a manner not in accord with this Section 31. CONTRACTOR's timely and full compliance with its obligations in this Section 31 shall constitute a condition precedent to

CONTRACTOR's compliance with the claims presentation requirements under the California Government Code, which shall remain upon completion or termination of the Procurement Documents.

32. GRANT COMPLIANCE.

32.1 Funding for the Project comes in part from an Encampment Resolution Funding Round 3 ("ERF3") grant Owner received from HCD, other grants received from HCD, including a PLHA grant, and CCAH grant funding. CONTRACTOR understands and agrees that this requires, without limitation, that CONTRACTOR:

32.1.1 Retain all records pertaining to performance under this Agreement for 5 years after termination of this Agreement or completion of the Work. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration date, all records must be retained until completion of the action and resolution of all issues, which arise from it. Owner, as well as the State of California and CCAH, shall have the right to audit records pertaining to performance under this Contract.

32.1.2 Agrees this Agreement is a public record under the California Public Records Act.

32.1.3 HCD has a right to inspect the work and Project.

32.2 Further, CONTRACTOR hereby certifies, under penalty of perjury, that:

32.2.1 CONTRACTOR's owners, members, officers, and employees, and those of its subcontractors, if any, are not state employees, and that this Agreement does not create a conflict of interest prohibited by the Grant Agreements, or otherwise prohibited by law.

32.2.2 That it and its subcontractors, if any, will comply with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code section 8350 et. seq.) and have or will provide a drug-free workplace by taking the following actions:

- (a) Publish a statement notifying employees and subrecipients that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, subcontractors for violations, as required by Government Code Section 8355, subdivision (a)(1).
- (b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355, subdivision (a)(2) to inform employees, or subcontractors about all of the following:
 - (i) the dangers of drug abuse in the workplace.

(ii) CONTRACTOR's policy of maintaining a drug-free workplace.

(iii) Any available counseling, rehabilitation, and employee assistance program.

(iv) Penalties that may be imposed upon employees, Grantees, and subrecipients for drug abuse violations.

(c) Provide, as required by Government Code Section 8355, subdivision (a)(3), that every employee and/or subrecipient that works under this Agreement: 1) Will receive a copy of Grantee's drug-free policy statement, and 2) Will agree to abide by terms of Grantee's condition of employment or subcontract.

32.3 CONTRACTOR agrees to cooperate in other respects with requests by HACM to ensure HACM is in compliance with its grant agreements. Minor items will be raised informally or through an Instruction Bulletin. If HACM requests a change that will materially alter CONTRACTOR's obligations under this Contract, HACM will issue a Change Directive pursuant to Exhibit H.

33. EARTHWORK AND UNDERGROUND FACILITIES.

33.1 At all times during construction, all operating Underground Facilities shall remain in operation, unless the Contract Documents expressly indicate otherwise. CONTRACTOR shall maintain such Underground Facilities in service where appropriate; shall repair any damage to them caused by the Work; and shall incorporate them into the Work, including reasonable adjustments to the design location (including minor relocations) of the existing or new installations. CONTRACTOR shall take immediate action to restore any in service installations damaged by CONTRACTOR's operations.

33.2 Prior to performing Work at the Site, CONTRACTOR shall lay out the locations of Underground Facilities that are to remain in service and other significant known underground installations indicated by the Existing Conditions Data, Contract Documents, USA records, or any material otherwise reasonably available to CONTRACTOR or discovered during CONTRACTOR's pre- or post-proposal investigations. CONTRACTOR shall further locate, by carefully excavating with small equipment, potholing and principally by hand, all such utilities or installations that are to remain and that are subject to damage. If additional utilities whose locations are unknown are discovered, CONTRACTOR shall immediately report to HACM for disposition of the same. Additional compensation or extension of time on account of utilities not shown or otherwise brought to CONTRACTOR's attention, including reasonable action taken to protect or repair damage, shall be determined as provided in this Contract.

33.3 If during construction, an Underground Facility is uncovered or revealed at or contiguous to the Site which was not shown, indicated, or discovered in the materials and investigations described in Paragraph 33.2, above, then CONTRACTOR shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby (and in no event

later than seven Days), and prior to performing any Work in connection therewith (except in an emergency), identify the owner of such Underground Facility and give written notice to that owner and to HACM. During such time, CONTRACTOR shall be responsible for the safety and protection of such Underground Facility.

33.4 The cost of all of the following will be included in the Contract Sum and CONTRACTOR shall have full responsibility for (a) reviewing and checking all available information and data including, without limitation, Existing Conditions Data, and information on file at USA; (b) locating all Underground Facilities shown or indicated in the Contract Documents or reasonably available information, or indicated by visual observation including, without limitation, and by way of example only, through performance of all investigations required by this Contract, and by engaging qualified locating services and all necessary backhoeing and potholing; (c) coordination of the Work with the owners of such Underground Facilities during construction; and (d) the safety and protection of all such Underground Facilities and repairing any damage thereto resulting from the Work.

33.5 Consistent with Government Code Section 4215, as between HACM and CONTRACTOR, HACM will be responsible for the timely removal, relocation, or protection of existing main or trunk line utility facilities located on the Site only if such utilities are not identified in the Contract Documents or information made available for proposals. HACM will compensate for the cost of locating and repairing damage not due to CONTRACTOR's failure to exercise reasonable care, removing and relocating such main or trunk line utility facilities not indicated in the Contract Documents or information made available for proposals with reasonable accuracy, and equipment on the Project necessarily idled during such Work. CONTRACTOR shall not be assessed liquidated damages for delay in completion of the Project, when such delay was caused by the failure of HACM or the utility to provide for removal or relocation of such utility facilities.

33.6 During construction, CONTRACTOR shall comply with Government Code Sections 4216 to 4216.9, and in particular Section 4216.2 which provides, in part: "Except in an emergency, an excavator planning to conduct an excavation shall notify the appropriate regional notification center of the excavator's intent to excavate at least two working days, and not more than 14 calendar days, before beginning that excavation. The date of the notification shall not count as part of the two-working-day notice. If an excavator gives less notice than the legal excavation start date and time and the excavation is not an emergency, the regional notification center will take the information and provide a ticket, but an operator has until the legal excavation start date and time to respond. However, an excavator and an operator may mutually agree to a different notice and start date. The contact information for operators notified shall be available to the excavator."

33.7 CONTRACTOR shall contact USA, and schedule the Work to allow ample time for the center to notify its members and, if necessary, for any member to field locate and mark its facilities. CONTRACTOR is charged with knowledge of all subsurface conditions reflected in USA records. Prior to commencing excavation or trenching work, CONTRACTOR shall provide HACM with copies of all USA records secured by CONTRACTOR. CONTRACTOR shall advise HACM of any conflict between information provided in Document 00 3132 (Geotechnical Data and Existing Conditions), the Drawings and that provided by USA records. CONTRACTOR's excavation shall be subject to and comply with the Contract Documents.

33.8 CONTRACTOR shall also investigate the existence of existing service laterals, appurtenances or other types of utilities, indicated by the presence of an underground transmission main or other visible facilities, such as buildings, manholes, new asphalt, meters and junction boxes, on or adjacent to the Site, even if not shown or indicated in Existing Conditions Data, Contract Documents, or USA records, or discovered during CONTRACTOR's pre- or post-proposal investigation. CONTRACTOR shall immediately secure all such available information and notify HACM and the utility owner, in writing, of its discovery.

33.9 If the Work involves digging trenches or other excavations that extend deeper than four feet below the surface, CONTRACTOR shall notify HACM in writing of any material that CONTRACTOR believes may be hazardous waste that is required to be removed in accordance law, subsurface or latent physical conditions at the site differing from those indicated by information about the site made available to proposers prior to the deadline for submitting proposals, or unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents, pursuant to Section 7104 of the Public Contract Code. For any Work involving trench shoring that costs in excess of \$25,000, CONTRACTOR shall submit and HACM (or a registered civil or structural engineer employed by HACM) must accept, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches, pursuant to Labor Code Section 6705. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer. Consistent with Government Code Section 4215, as between HACM and CONTRACTOR, HACM will be responsible for the timely removal, relocation, or protection of existing main or trunk line utility facilities located on the Site only if such utilities are not identified in the Contract Documents or information made available for proposals.

34. HACM'S RIGHT OF SEPARATE CONSTRUCTION

34.1 HACM may perform with its own forces, construction or operations related to the Project, or the Site during CONTRACTOR's operations. HACM may also award separate contracts in connection with other portions of the Project or other construction or operations, on the Site or areas contiguous to the Site, under conditions similar to these Contract Documents, or may have utility owners perform other work.

34.2 CONTRACTOR shall adjust its schedule and fully coordinate with and shall afford all other contractors, utility districts and HACM (if HACM is performing work with its own forces), proper and safe access to the Site, and reasonable opportunity for the installation and storage of their materials. CONTRACTOR shall ensure that the execution of its Work properly connects and coordinates with others' work, do all cutting, fitting and patching of the Work that may be required to make its several parts come together properly and integrate with such other work, and shall cooperate with them to facilitate the progress of the Work.

34.3 To the extent that any part of CONTRACTOR's Work is to interface with work performed or installed by other contractors or utility owners, CONTRACTOR shall inspect and measure the in-place work. CONTRACTOR shall promptly report to HACM in writing any

defect in in-place work that will impede or increase the cost of CONTRACTOR's interface unless corrected.

35. JURISDICTION AND VENUE. This Contract shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Contract shall be filed only in the Superior Court of the State of California, County of Monterey and the Parties waive any provision of law providing for a change of venue to another location.

36. WAIVER. Any waiver by HACM of any breach of any one or more of the terms of this Contract shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term thereof. Failure on the part of HACM to require exact, full and complete compliance with any terms of this Contract shall not be construed as in any manner changing the terms hereof, or estopping HACM from enforcement hereof.

37. SURVIVABILITY OF TERMS. Provisions of this Contract that are not fully performed or are not capable of being fully performed as of the date of termination will survive termination of this Contract.

38. NOTICES. Any notice or other communication required or permitted under this Contract shall be sufficiently given if delivered in person or sent by one of the following methods, (1) registered U.S. mail, return receipt requested (postage prepaid); (2) certified U.S. mail, return receipt requested (postage prepaid); or (3) commercially recognized overnight service with tracking capabilities. Notices or communications shall be deemed properly delivered to the respective Parties at the addresses set forth below, or such other addresses provided by the Parties in writing, and are deemed submitted as of the date personally delivered or two days after their deposit in the United States mail postage prepaid, or via overnight service:

HACM	CONTRACTOR
Housing Authority, County of Monterey	
123 Rico St	
Salinas, CA 93907	
Attention: Ricardo Calderon, Project Manager	

39. MISCELLANEOUS. As used in this Contract, the term CONTRACTOR also includes CONTRACTOR's owners, officers, employees, representatives and agents.

40. SEVERABILITY. If any provision in this Contract 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.

41. POWER TO BIND. The undersigned signatory for CONTRACTOR represents and warrants that he or she has full power to enter into this Contract and to bind CONTRACTOR in accordance with the terms of this Contract.

42. NO THIRD PARTY BENEFICIARIES. The Parties to this Contract acknowledge and agree that the provisions of this Contract are for the sole benefit of the CONTRACTOR and HACM, and not for the benefit, directly or indirectly, of any other person or entity, except as otherwise expressly provided herein.

43. ENTIRE CONTRACT. This Contract, including any attachments or exhibits, constitutes the entire Contract of the Parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. In the event of any conflict between this Contract and any other written agreement or acknowledgement, the terms of this Contract shall prevail. This Contract may be changed or modified only by a written amendment signed by authorized representatives of both Parties.

44. NON-LIABILITY OF HACM OFFICIALS, EMPLOYEES AND AGENTS. No member, official, employee or agent of HACM shall be personally liable to CONTRACTOR in the event of any default or breach by HACM or for any amount which may become due to CONTRACTOR or its successor or on any obligation under the terms of this Contract.

45. PRECEDENCE.

In the case of discrepancy or inconsistency in the Contract Documents, the following order of precedence shall prevail:

- (a) Modifications in inverse chronological order (i.e., most recent first), and in the same order as specific portions they are modifying;
- (b) Numbered sections and paragraphs of Contract over Exhibits;
- (c) Written words over figures, unless obviously incorrect;
- (d) Figured dimensions over scaled dimensions;
- (e) Large-scale Drawings over small-scale Drawings.

46. EXHIBITS. The following exhibits are attached hereto and incorporated herein by this reference:

- (a) Exhibit A - Scope of Services;
 - (i) Exhibit A-1 – Plans for King City Home Key
 - (ii) Exhibit A-2 – Scope of Work
- (b) Exhibit B – Contract Time and Payment Schedule

- (c) Exhibit C – Insurance Requirements
- (d) Exhibit D – General Conditions (HUD-5370-C1 General Conditions).
- (e) Exhibit E – Section 3 Policy
- (f) Exhibit F – Prevailing Wage Determination
- (g) Exhibit G – Measurement and Payment
 - (i) Exhibit G-1 – Agreement And Release Of Any And All Claims
- (h) Exhibit H – Modifications
- (i) Exhibit I - Form of Performance Bond
- (j) Exhibit J - Form of Payment Bond

47. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and transmitted electronically and, in such event, the transmission by electronic means shall have the same force and effect as the hand delivery of an original of this Agreement to the recipient duly executed in ink.

(Remainder of Page Intentionally Blank)

(Signatures on next page)

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Contract as of the date set forth above.

“HACM”

**HOUSING AUTHORITY COUNTY OF
THE COUNTY OF MONTEREY**, a public
agency

By: _____

Zulieka Boykin, Executive Director

Date: _____

“CONTRACTOR”

**PRECISION CONSTRUCTION &
PROPERTY DAMAGE MITIGATION
INC**, a California Corporation

By: _____

Name: _____

Its: _____

Date: _____

**NOTE: CONTRACTOR’S SIGNATURES
SHALL BE DULY NOTARIZED, AND
APPROPRIATE ATTESTATIONS
SHALL BE INCLUDED AS MAY BE
REQUIRED BY THE BYLAWS,
ARTICLES OF INCORPORATION, OR
OTHER RULES OR REGULATIONS
APPLICABLE TO CONTRACTOR’S
BUSINESS ENTITY.**

EXHIBIT A

SCOPE OF SERVICES

1. This is a term contract with CONTRACTOR for labor, materials and equipment necessary to provide Special Services for KING CITY HOME KEY.
2. The King City Home Key project involves the renovation of a former Days Inn located on a 1-acre parcel in King City. Originally constructed in 1969, this two-story facility is slated for conversion into 45 studio units aimed at providing stable, affordable housing for individuals currently experiencing homelessness along the Salinas River encampments.
3. CONTRACTOR is responsible for:
 - a. Providing a comprehensive landscaping solution consistent with the scope of work attached hereto as Exhibit A-2. (“Landscaping Services”)
 - b. Providing specified construction services consistent with the scope of work attached hereto as Exhibit A-3. (“Specified Construction Services.”)
 - c. Providing procurement and installation services for countertops and cabinetry consistent with the scope of work attached hereto as Exhibit A-4. (“Countertop and Cabinetry Services.”)
4. Compliance and Communication. For all work on this Project, CONTRACTOR shall:
 - a. Ensure all work is executed in strict accordance with relevant building codes and architectural designs.
 - b. Maintain robust communication between all trades and the project manager to guarantee project success.
 - c. All work is to be performed consistent with the Plans for King City Home Key, which are attached hereto as Exhibit A-1.
 - d. CONTRACTOR shall perform the work consistent with all plans CONTRACTOR submitted in its RFP responses unless directed otherwise by HACM in writing, or through the Modifications process.
5. Prior to receipt of any Notice to Proceed, CONTRACTOR shall consult with HACM as needed to facilitate development of plans, schedules, and coordination of other contractors.
6. HACM will issue separate Notices to Proceed for the Landscaping Services, Specified Construction Services, and Countertop and Cabinetry Services. However, CONTRACTOR will not wait to receive a Notice to Proceed before commencing or assisting with any preparatory work or investigation necessary to facilitate timely project completion and performing CONTRACTOR’s consultation services.
7. Upon receipt of Notice to Proceed for any particular service, CONTRACTOR will proceed with performing the work specified. HACM’s Notice to Proceed may specify certain subcomponents of a particular type of service to proceed with. In such case, a supplemental Notice to Proceed will be issued for other subcomponents.
8. Throughout its work on the Project, including during preconstruction, as applicable, CONTRACTOR shall:
 - a. Attend regular meetings with the Ricardo Calderon and HACM;
 - b. Participate in the development/modification of the plans and specifications for the project, including evaluations of constructability, cost and design conflicts;
 - c. Conduct pricing of the project improvements at key milestones (Schematic

Design completion, Design Development Completion, and 50% Construction Documents) in the development of the plans and specifications;

- d. Engage in value engineering activities to assist HACM in ensuring that the final plans and specifications describe a project that can be completed within HACM's budget;
- e. Obtain a comprehensive bid for the final plans and specification;
- f. Assist HACM with obtaining all necessary permits;
- g. Bid to suppliers and subcontractors;
- h. Coordinate all trades required for proper execution;
- i. Facilitate/coordinate preparatory meeting with key subcontractors;
- j. Coordinate with HACM on resident relocations;
- k. Coordinate plans and sensitivity studies of the surrounding neighborhoods, if needed;
- l. Provide meeting management and detailed reporting;
- m. Exercise document control;
- n. Enforce all COVID, OSHA and client-specified safety rules and regulations;
- o. Mitigate delays and additional costs;
- p. Assure the quality of the product;
- q. Facilitate the closeout/warranty period of the project;
- r. Address warranty issues in a timely, organized manner;
- s. Assist with obtaining final building permit sign-offs; and
- t. Comply with HUD Section 3 requirements, California Prevailing Wage law and Davis-Bacon, including submission of timely reports and certified payrolls.

**Exhibit A-1
PLANS FOR KING CITY HOME KEY**

**[INCLUDE ADAPTIVE ENGINEERING & CONSULTING PLAN ATTACHED TO
CONTRACTOR'S LANDSCAPING PROPOSAL; INCLUDE BARDOVI ARCHITECTS
DRAWINGS ATTACHED TO PROPOSAL; INCLUDE ELEVATIONS/
JUSTIFICATIONS FOR CABINETS FROM PROPOSAL]**

DRAFT

EXHIBIT A-2 LANDSCAPING SCOPE OF WORK

1. Project Management
 - a. Be responsible for planning, material ordering, and commercial supervision.
2. Transform the Project site with a modern landscaping design that emphasizes sustainability using low-water consumption plants and rock landscapes.
3. Implement a design that features a combination of heat tolerant plants and rock landscaping to local regulations and codes. Identify areas suitable for the installation of imitation grass, ensuring proper installation to enhance aesthetics without compromising water conservation.
4. Select and install head-tolerant plant species that are suitable for the local climate, with a preference for native or drought-resistant varieties.
5. Trim existing plants as necessary and remove any that do not comply with the new landscaping design.
6. Design and construct a designated dog walk area, ensuring safety and accessibility for pets and owners. Include seating areas for pedestrians and visitors to promote community engagement.
7. Timely and safely remove all debris resulting from the landscaping work. Ensure all debris is disposed of consistent with local regulations and applicable law.
8. Ensure that all landscaping work adheres to local ordinances regarding water usage and plant selections, focusing on sustainable practices.
9. Provide recommendations for ongoing maintenance of the rock landscape and heat-tolerant plants to ensure longevity and health.
10. Complete the foregoing Work consistent with the following phased approach:
 - a. Phase 1 – Develop Landscape Plans (Landscape Design, Plans, and Renderings for Landscape / Rock Area).
 - b. Upon receipt of Notice to Proceed:
 1. Phase 2 - Demolition. Remove existing AC at Front East Side of Property for New Walk Area (Approximately 3,841 sq. ft.)
 2. Phase 3 – Grading. Grade Approximately 3,841 sq. ft at New Walk Area for decomposed granite (DG) placement.
 3. Phase 4 – Import Decorative Rock. Please weed barrier, import and place approximately 82 cubic yards (CY) of standard grade rock at 4,454 square feet of planter area per landscape plans.
 4. Phase 5 – Import DG. Place weed barrier, install bender board, import DG at walkway per plans.
 5. Phase 6 – Weep Holes. Core 7-8 Weep Holes at New Dog Run.

EXHIBIT A-2
SPECIFIED CONSTRUCTION SCOPE OF WORK

1. Project Management
 - a. Be responsible for planning, material ordering, and commercial supervision.
2. Grading
 - a. The property will require cavitation and grading to replace the blacktop throughout. The blacktop will need to be striped to delineate 88 parking spaces for tenants and visitors.
3. Wall and Demolition Work
 - a. Solidify the installation of new walls and partitions.
 - b. Execute the removal of existing structures as necessary.
 - c. Work with HACM's abatement team concerning proper demolition areas and logistics.
4. Sheetrock installations
 - a. Install sheetrock
 - b. Ensure all sheetrock installations meet 5/8 inch specifications

EXHIBIT A-3
COUNTERTOP AND CABINETY SERVICES

1. Project Management
 - a. Be responsible for planning, material ordering, and commercial supervision.
2. Unit Renovations
 - a. Install kitchen cabinets, sinks, and faucets in each unit without exception.
 - b. Lay new flooring throughout the building to ensure a modern and cohesive appearance.
3. Logistics
 - a. Provide Elevations and Renderings
4. Cabinetry
 - a. Provide and Install Cabinets at 7'LF Per Plans at 44 Standard Units
 1. Provide and install countertops w/ fabrication for sink and cooktops.
 2. Provide and install sink. Does not include plumbing hook up.
 - b. Provide and Install Cabinets at 12'LF Per Plans at 2 Large Units
 1. Provide and install countertops w/ fabrication for sink and cooktops.
 2. Provide and install sink. Does not include plumbing hook up.
 - c. Provide and Install Cabinets at 24 LF Per Plans at the Lobby/Front Living Unit
 1. Provide and install countertops w/ fabrication for sink (no cooktop)
 2. Provide and install sink. Does not include plumbing hook up.
5. Countertops
 - a. Provide Subdeck for Countertop Installation
 - b. Provide, Fabricate, & Install Solid Surface Quartz Countertops with 4" Integral Splash
 - c. Fabrication includes cutting to size, sink opening, and cook top opening
 - d. Provide and install over counter mounted sink – 30"
 1. Does not include plumbing hook up.
6. Bathroom Vanities at 47 Units
 - a. Provide and install large 60" Vanity per plans at all units.
 - b. Vanity includes cabinets, countertop, sink, material & install. Does not include plumbing hook up.
7. Delivery and placement to each unit.
 - a. Delivery surcharge is already included in Contract Sum.
8. Clean Site and Areas as Needed
 - a. Clean all areas and debris in areas where CONTRACTOR has worked.

EXHIBIT B

CONTRACT TIME

9. CONTRACT TIME – LANDSCAPING SERVICES

a. CONTRACT TIME for Landscaping Services is **42 days**, which shall commence upon CONTRACTOR's receipt of pertinent Notice to Proceed. CONTRACTOR shall complete the work required within the CONTRACT TIME.

10. CONTRACT TIME – SPECIFIED CONSTRUCTION SERVICES

a. CONTRACT TIME for Specified Construction Services is **126 days**, which shall commence upon CONTRACTOR's receipt of pertinent Notice to Proceed. CONTRACTOR shall complete the work required within the CONTRACT TIME.

11. CONTRACT TIME – COUNTERTOP AND CABINETRY SERVICES

a. CONTRACT TIME for Specified Construction Services is **42 days**, which shall commence upon CONTRACTOR's receipt of pertinent Notice to Proceed. CONTRACTOR shall complete the work required within the CONTRACT TIME.

12. WEATHER

a. CONTRACT TIME will only be extended for unusually severe weather if it results in precipitation or other conditions which in the amount, frequency, or duration is in excess of the norm at the location and time of year in question as established by NOAA weather data. CONTRACTOR has anticipated all the days it takes to dry out and re-prepare areas that may be affected by weather delays which extend beyond the actual weather days. CONTRACTOR is expected to work seven (7) days per week (if necessary, irrespective of inclement weather), to maintain access, and to protect the Work under construction from the effects of inclement weather.

EXHIBIT C
INSURANCE REQUIREMENTS

CONTRACTOR shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, its agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be as least as broad as:

1. Insurance Services Office **Commercial General Liability coverage** (occurrence Form CG 0001).
2. Insurance Services Office Form Number CA 0001 covering **Automobile Liability**, Code 1 (any auto).
3. **Workers' Compensation insurance** as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

CONTRACTOR shall maintain limits no less than:

1. General Liability: **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limits shall apply separately to their project/location or the general aggregate limit shall be twice the required occurrence limit.

(Including operations, products and completed operations, as applicable.)

2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Workers' Compensation: **\$1,000,000** per accident for bodily injury and Employer's Liability: property damage.

Deductible and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by HACM. At the option of HACM; the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects HACM, its officers, officials, employees and volunteers; or the CONTRACTOR shall provide a financial guarantee satisfactory to HACM guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The commercial general liability is to contain, or be endorsed to contain, the following provisions. HACM, its commissioners, members, officers, agents, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the CONTRACTOR; or automobiles owned, leased, hired or borrowed by the CONTRACTOR.

1. For any claims related to this project, the CONTRACTOR's insurance coverage shall be primary insurance as respects HACM, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by HACM, its commissioners, members, officers, agents, employees or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
2. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after (30) days' prior written notice by certified mail, returned receipt requested, has been given to the Authority.
3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to HACM, its commissioners, members, officers, agents, employees and volunteers.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VI, unless otherwise acceptable to HACM.

Verification of Coverage

CONTRACTOR shall furnish HACM with certificates of insurance and with original endorsements evidencing coverage required by this clause. All certificates and endorsements are to be received and approved by HACM before work commences. HACM reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

** HACM shall be named as an additionally insured on all policies, certificate of insurance and endorsements.*

EXHIBIT D

(General Conditions (HUD-5370-C1 General Conditions))

EXHIBIT E

SECTION 3 POLICY

Under the Davis-Bacon and Related Acts and Reorganization Plan No. 14 of 1950, the U.S. Department of Labor is responsible for determining prevailing wages, issuing regulations and standards to be observed by federal agencies that award or fund projects subject to Davis-Bacon labor standards, and overseeing consistent enforcement of the Davis-Bacon labor standards.

The Davis-Bacon and Related Acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Davis-Bacon Act and Related Act contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.

The Davis-Bacon Act directs the Department of Labor to determine such locally prevailing wage rates. The Davis-Bacon Act applies to contractors and subcontractors performing work on federal or District of Columbia contracts. The Davis-Bacon Act prevailing wage provisions apply to the “Related Acts,” under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

For prime contracts in excess of \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular rate of pay for all hours worked over 40 in a workweek. The overtime provisions of the Fair Labor Standards Act may also apply to DBA-covered contracts.

EXHIBIT F
PREVAILING WAGE DETERMINATION

EXHIBIT G

MEASUREMENT AND PAYMENT

PART 1 GENERAL

1.01 Summary

- A. Section includes description of requirements and procedures for determining amount of Work performed and for obtaining payment for Work performed.

1.02 References

- A. California Public Contract Code
- B. Code of Civil Procedure
- C. Government Code
- D. Civil Code

1.03 Composition and Scope Of Contract Sum

A. Scope of Contract Sum

1. Contract Sum for performance of the Work under Contract Documents, or under any Proposal item, allowance, or Alternate, shall include full compensation for all Work required under the Contract Documents, including without limitation, all labor, materials, taxes, transport, handling, storage, supervision, administration, and all other items necessary for the satisfactory completion of the Work, whether or not expressly specified or indicated, incidental work and unexpected expenses, and all terms, conditions, requirements and limitations set forth in the Contract Documents.
2. Contract Sum may be expressed as lump sum, unit price, GMP, allowance, or combination thereof. Contract Sum, whether lump sum, unit price or otherwise, shall be deemed to include all costs necessary to complete required Work, including Contractor overhead and profit, all costs (if any) for loss or damage arising from nature of Work or prosecution of the Work, and from action of elements.
3. Unless Contract Documents expressly provide otherwise, Contract Sum shall be deemed to include:
 - (a) Any and all costs arising from any unforeseen difficulties which may be encountered during, and all risks of any description connected with, prosecution of Work or any Work item (whether lump sum, unit price or otherwise) until acceptance by Owner;
 - (b) All expenses incurred due to suspension, or discontinuance of Work or any Work item (whether lump sum, unit price or otherwise) as provided in Contract Documents; and
 - (c) Escalation to allow for cost increases between time of Contract Award and completion of Work or any Work item (whether lump sum, unit price or otherwise).

B. Unit Price Items

1. Quantity of Work to be paid for under any item for which a unit price is fixed in Contract Documents shall be determined by Owner based on, so far as practicable, actual number of units satisfactorily completed, as determined by Owner and certified by Contractor, within prescribed or ordered limits, and no payment will be made for Work unsatisfactorily performed or done outside of limits.
2. Unit Prices shall apply to Work covered by unit prices so long as actual quantities performed on the Project are not less than 75 percent or greater than 125 percent of the estimated quantities proposed or otherwise stated in the Contract Documents. If actual

quantities exceed these parameters, then the unit price shall be adjusted by an amount to reflect the Contractor's incremental cost differential resulting from increased or decreased economies of scale.

C. Lump Sum Items

1. When estimated quantity for specific portion of Work is not indicated and/or Work is designated as lump sum, payment will be on a lump sum basis for Work satisfactorily completed in accordance with Contract Documents.
2. Payment for lump sum Work, or items of Work subject to a lump sum (e.g. without limitation, change order work), shall be made on the basis of satisfactory completion of such Work or work item, earned in progressive stages in accordance with the Contract Documents, up to but not exceeding Contractor's percentage completion of the Work or item.
3. Lump sum items shall be paid based upon the approved Schedule of Values, which shall be used to measure progressive payments based upon satisfactory progress towards completion of the item.

1.04 Payment Procedures

A. Work Breakdown Structure/Schedule of Values

1. Within time period specified in Exhibit B, but in any event prior to Contractor's first Application for Payment, Contractor shall submit a detailed breakdown of its Proposal by scheduled Work items and/or activities, including coordination responsibilities and document management responsibilities. Contractor shall furnish such breakdown of the total Contract Sum by assigning dollar values (cost estimates) to each applicable progress schedule network activity, which cumulative sum equals the total Contract Sum. This breakdown may be referred to as the Schedule of Values (**SOV**), Work Breakdown Structure (**WBS**) or both.
2. Contractor's overhead, profit, insurance, cost of bonds (except to the extent expressly identified in a Proposal item) and/or other financing, as well as "general conditions costs," (e.g., Site cleanup and maintenance, temporary roads and access, off-Site access roads, temporary power and lighting, security, and the like), shall be prorated through all activities so that the sum of all the Schedule of Values line items equals Contractor's total Contract Sum, less any allowances designated by Owner. Scheduling, record documents and quality assurance control shall be separate line items.
3. Owner will review the breakdown in conjunction with the Progress Schedule to ensure that the dollar amounts of this Schedule of Values are, in fact, reasonable cost allocations for the Work items listed. Upon favorable review by Owner, Owner will accept this Schedule of Values for use. Owner shall be the sole judge of fair market cost allocations.
4. Owner will reject any attempt to increase the cost of early activities, i.e., "front loading," resulting in a complete reallocation of moneys until such "front loading" is corrected. Repeated attempts at "front loading" may result in suspension or termination of the Work for default, or refusal to process progress payments until such time as the Schedule of Values is acceptable to Owner.

B. Contractor's Requests for Progress Payments

1. If requested by Contractor, progress payments will be made monthly, under the following conditions:
2. On or before the 25th Day of each month, Contractor shall submit to Owner five copies of an Application for Payment for the cost of the Work put in place during the period from the last Day of the previous month to the end of the current month, along with one copy of an updated Progress Schedule. Such Applications for Payment shall be for the expected total value of activities completed or partially completed, based upon Schedule of Values prices (or Proposal item prices if unit price) of all labor and materials incorporated in the Work up until midnight of the last Day of that one month period, less the aggregate of previous payments. Accumulated retainage shall be shown as separate item in payment summary.

Owner and Contractor will reconcile any differences in the field, based on the reconciled monthly report sheets. If Contractor is late submitting its Application for Payment, that Application may be processed at any time during the succeeding one-month period, resulting in processing of Contractor's Application for Payment being delayed for more than a Day for Day basis.

3. Except as otherwise provided in a labor compliance program applicable to the Work (if any) or as otherwise required by Owner, concurrently with each Application for Payment, Contractor shall submit to Owner Contractor's and its Subcontractors' certified payroll records required to be maintained pursuant to Labor Code Section 1776 for all labor performed during pay periods ending during the period covered by the Application for Payment.
4. No progress payment will be processed prior to Owner receiving all requested, acceptable schedule update information and certified payrolls, and in Owner's sole and absolute discretion, Owner may deny the entire Application for Payment for noncompliance.
5. Each Application for Payment shall list each Change Order and Construction Change Directive (**CCD**) executed prior to date of submission, including the Change Order/CCD Number, and a description of the Work activities, consistent with the descriptions of original Work activities. Contractor shall submit a monthly Change Order/CCD status log to Owner.
6. If Owner requires substantiating data, Contractor shall submit information requested by Owner, with cover letter identifying Project, Application for Payment number and date, and detailed list of enclosures. Contractor shall submit one copy of substantiating data and cover letter for each copy of Application for Payment submitted.
7. If Contractor fails or refuses to participate in monthly Work reconciliations or other construction progress evaluation with Owner, Contractor shall not receive current payment until Contractor has participated fully in providing construction progress information and schedule update information to Owner.

C. Owner's Review of Progress Payment Applications

1. Owner will review Contractor's Application for Payment following receipt and during the Progress Schedule and Billing Meeting. If adjustments need to be made to percent of completion of each activity, Owner will make appropriate notations and return to Contractor. Contractor shall revise and resubmit. All parties shall update percentage of completion values in the same manner, i.e., express value of an accumulated percentage of completion to date.
2. If Owner determines that portions of the Application for Payment are not proper or not due under the Contract Documents, then Owner may approve the other portions of the Application for Payment, and in the case of disputed items or Defective Work not remedied, may withhold up to 150 percent of the disputed amount from the progress payment.
3. Pursuant to Public Contract Code Section 20104.50, if Owner fails to make any progress payment within 30 Days after receipt of an undisputed and properly submitted Application for Payment from Contractor, Owner shall pay interest to the Contractor equivalent to the legal rates set forth in Code of Civil Procedure Section 685.010 (a). The 30-Day period shall be reduced by the number of Days by which Owner exceeds the seven-Day return requirement set forth herein.
4. As soon as practicable after approval of each Application for Payment for progress payments, Owner will pay to Contractor in manner provided by law, an amount equal to 95 percent of the amounts otherwise due as provided in Contract Documents, or a lesser amount if so provided in Contract Documents and by law, provided that payments may at any time be withheld if, in judgment of Owner, Work is not proceeding in accordance with Contract, or Contractor is not complying with requirements of Contract, or to comply with stop notices or to offset liquidated damages accruing or expected. In Owner's sole discretion, if Contractor has failed to comply with either its Progress Schedule update or project record documents requirements, Owner may retain an additional five percent (5%) of any earned amounts until such requirements are satisfied.
5. Before any progress payment or final payment is due or made, Contractor shall submit satisfactory evidence that Contractor is not delinquent in payments to employees,

Subcontractors, suppliers, or creditors for labor and materials incorporated into Work. This specifically includes, without limitation, conditional lien release forms for the current progress payment and unconditional release forms for past progress payments. This also includes copies of certified payroll from Contractor and subcontractors for the current payment period.

D. Payment for Material and Equipment Not Yet Incorporated Into the Work

1. No payment shall be made for materials or equipment not yet incorporated into the Work, except as specified elsewhere in the Contract Documents or as may be agreed to by Owner in its sole discretion. Where Contractor requests payment on the basis of materials and equipment not incorporated in the Work, Contractor must satisfy the following conditions:
 - a. The materials and/or equipment shall be delivered and suitably stored at the Site or at another local location agreed to in writing, for example, a mutually acceptable bonded and insured warehouse.
 - b. Full title to the materials and/or equipment shall vest in Owner at the time of delivery to the Site, warehouse or other storage location. Obtain a negotiable warehouse receipt, endorsed over to Owner for materials and/or equipment stored in an off-site warehouse. No payment will be made until such endorsed receipts are delivered to Owner.
 - c. Stockpiled materials and/or equipment shall be available for Owner inspection, but Owner shall have no obligation to inspect them and its inspection or failure to inspect shall not relieve Contractor of any obligations under the Contract Documents. Materials and/or equipment shall be segregated and labeled or tagged to identify these specific Contract Documents.
 - d. After delivery of materials and/or equipment, if any inherent or acquired defects are discovered, defective materials and/or equipment shall be removed and replaced with suitable materials and/or equipment at Contractor's expense.
 - e. At Contractor's expense, insure the materials and/or equipment against theft, fire, flood, vandalism, and malicious mischief, as well as any other coverages required under the Contract Documents.
 - f. Contractor's Application for Payment shall be accompanied by a bill of sale, invoice or other documentation warranting that Owner has received the materials and equipment free and clear of all liens and evidence that the materials and equipment are covered by appropriate property insurance and other arrangements to protect Owner interest therein, all of which must be satisfactory to Owner. This documentation shall include, without limitation, conditional releases of mechanics' liens and stop notices from all those providing materials and equipment as to which the Application for Payment relates, as well as unconditional releases of the same from the same as to the previous Application for Payment for which they have not already been provided. Amounts previously paid for materials and equipment prior to incorporation into the Work shall be deducted from amounts otherwise due Contractor as they are incorporated.

1.05 Final Payment

A. Final Payment

1. As soon as practicable after all required Work is completed in accordance with Contract Documents, including punchlist, testing, record documents and Contractor maintenance after Final Acceptance, Contractor shall submit its Application for Final Payment.
2. Provided Contractor has met all conditions required for Final payment, Owner will pay to Contractor, in manner provided by law, unpaid balance of Contract Sum of Work (including, without limitation, retentions), or whole Contract Sum of Work if no progress payment has been made, determined in accordance with terms of Contract Documents, less sums as may be lawfully retained under any provisions of Contract Documents or by law.

B. Final Accounting

1. Prior progress payments and change orders shall be subject to audit and correction in the final payment.
2. Contractor and each assignee under an assignment in effect at time of final payment shall execute and deliver at time of final payment, and as a condition precedent to final payment, an Agreement and Release of Claims in the form attached hereto as Exhibit G-1.

1.06 Substitution of Securities

- A. Public Contract Code Section 22300. In accordance with the provisions of Public Contract Code Section 22300, substitution of securities for any moneys withheld under Contract Documents to ensure performance is permitted.

1.07 Basis And Effect Of Payment

- A. Payment will be made by Owner, based on Owner observations at the Site and the data comprising the Application for Payment. Payment will not be a representation that Owner has:
1. Made exhaustive or continuous on-Site inspections to check the quality or quantity of Work;
 2. Reviewed construction means, methods, techniques, sequences, or procedures;
 3. Reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by Owner to substantiate Contractor's right to payment; or
 4. Made examination to ascertain how or for what purpose Contractor has used money previously paid on account of the Contract Sum.
 5. Owner does not expressly, or by implication, agree, warrant, or represent in any manner, that actual amount of Work will correspond with amount shown or estimated and reserves right to increase or decrease amount of any class or portion of Work, to leave out entire Work Item or Items, or to add work not originally included in Proposals or Contract Documents, when in its judgment such change is in best interest of Owner. No change in Work shall be considered a waiver of any other condition of Contract Documents. No claim shall be made for anticipated profit, for loss of profit, for damages, or for extra payment whatever, except as otherwise expressly provided for in Contract Documents, because of any differences between the amount of Work actually done and estimated amount as set forth herein, or for elimination of Work Items.

EXHIBIT G-1
AGREEMENT AND RELEASE OF ANY AND ALL CLAIMS
[Public Contract Code Section 7100]

THIS AGREEMENT AND RELEASE OF ANY AND ALL CLAIMS (**Agreement and Release**), made and entered into this [date] day of [Month], [202], by and between **Housing Authority of the County of Monterey (Owner)**, and [Enter Name of Contractor] (**Contractor**), whose place of business is at [Enter Address of Contractor].

RECITALS

- A. Owner and Contractor entered into Contract (the “**Contract**”) for Special Services relating to the King City Homekey Project.
- B. The Work under the Contract has been completed.

AGREEMENT

NOW THEREFORE, it is mutually agreed between Owner and Contractor as follows:

1. Contractor will not be assessed liquidated damages except as detailed below:

Original Contract Sum \$ _____

Modified Contract Sum \$ _____

Payment to Date \$ _____

Liquidated Damages \$ _____

Payment Due Contractor \$ _____

2. Subject to the provisions of this Agreement and Release, Owner will forthwith pay to Contractor the sum of [_____] Dollars and _____ Cents (\$ _____) under the Contract, less any amounts withheld under the Contract or represented by any Notice to Withhold Funds on file with Owner as of the date of such payment.

3. Contractor acknowledges and hereby agrees that there are no unresolved or outstanding claims in dispute against Owner arising from the Contract, except for the claims described in Paragraph 4 of this Agreement and Release. It is the intention of the parties in executing this Agreement and Release that this Agreement and Release shall be effective as a full, final and general release of all claims, demands, actions, causes of action, obligations, costs, expenses, damages, losses and liabilities of Contractor against Owner, and all if its agents, employees, consultants, inspectors, representatives, assignees and transferees, except for the Disputed Claims set forth in Paragraph 4 of this Agreement and Release. Nothing in this Agreement and Release shall limit or modify Contractor’s continuing obligations described in Paragraph 6 of this Agreement and Release.

4. The following claims submitted under the Contract, Section 31, are disputed (**Disputed Claims**) and are specifically excluded from the operation of this Agreement and Release.

[Insert information in Chart below, affix attachment if necessary]

CLAIM NO.	<i>Date Submitted</i>	<i>Description of Claim</i>	<i>Amount of Claim</i>

5. Consistent with California Public Contract Code Section 7100, Contractor hereby agrees that, in consideration of the payment set forth in Paragraph 2 of this Agreement and Release, Contractor hereby releases and forever discharges Owner, and all of its agents, employees, consultants, inspectors, assignees and transferees from any and all liability, claims, demands, actions or causes of action of whatever kind or nature arising out of or in any way concerned with the Work under the Contract.
6. Guarantees and warranties for the Work, and any other continuing obligation of Contractor, shall remain in full force and effect as specified in the Contract Documents.
7. Contractor shall immediately defend, indemnify and hold harmless Owner, any of the Owner's Representatives, Project Manager, and all of their agents, employees, consultants, inspectors, assignees and transferees, from any and all claims, demands, actions, causes of action, obligations, costs, expenses, damages, losses and liabilities that may be asserted against them by any of Contractor's suppliers and/or Subcontractors of any tier and/or any suppliers to them for any and all labor, materials, supplies and equipment used, or contemplated to be used in the performance of the Contract, except for the Disputed Claims set forth in Paragraph 4 of this Agreement and Release.
8. Contractor hereby waives the provisions of California Civil Code Section 1542, which provide as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

9. The provisions of this Agreement and Release are contractual in nature and not mere recitals and shall be considered independent and severable, and if any such provision or any part thereof shall be at any time held invalid in whole or in part under any federal, state, county, municipal or other law, ruling, or regulation, then such provision, or part thereof shall remain in force and effect only to the extent permitted by law, and the remaining provisions of this Agreement and Release shall also remain in full force and effect, and shall be enforceable.

10. Contractor represents and warrants that it is the true and lawful owner of all claims and other matters released pursuant to this Agreement and Release, and that it has full right, title and authority to enter into this instrument. Each party represents and warrants that it has been represented by counsel of its own choosing in connection with this Agreement and Release.
11. All rights of Owner shall survive completion of the Work or termination of the Contract, and execution of this Agreement and Release.

***** CAUTION: THIS IS A RELEASE - READ BEFORE EXECUTING *****

OWNER: HOUSING AUTHORITY OF THE COUNTY OF MONTEREY

By: _____
Signature

Name: _____
Print

Its: _____
Title

[CONTRACTOR]

By: _____
Signature

Name: _____
Print

Its: _____
Title

[CONTRACTOR]

By: _____
Signature

Name: _____
Print

Its: _____
Title

[IF REQUIRED] REVIEWED AS TO FORM:

Dated: _____, [20__]

By: _____
Counsel for Owner

Name: _____
Print

END OF DOCUMENT

EXHIBIT H

MODIFICATIONS

1.01 Procedures For CONTRACTOR Initiated Change Order

A. CONTRACTOR-Initiated Change Proposal Request (CPR) and Procedures

1. CONTRACTOR may initiate changes by submitting a Change Proposal Request (CPR).

2. Whenever CONTRACTOR elects or is entitled to submit a CPR, CONTRACTOR shall prepare and submit to Owner for consideration a CPR using the Cost Proposal Form attached to this Exhibit H. All CPR's must contain a complete breakdown of costs of credits, deducts and extras; itemizing labor, materials, equipment, markup, bonds, insurance and taxes; and any requested changes to Contract Time. All Subcontractor Work shall be so indicated. After receipt of a CPR with a detailed breakdown, Owner will act promptly thereon.

3. If Owner accepts a CPR, Owner will prepare a Change Order for Owner and CONTRACTOR signatures.

4. If CPR is not acceptable to Owner because it does not agree with CONTRACTOR's proposed cost and/or time, Owner will provide comments thereto. CONTRACTOR will then, within seven Days (except as otherwise provided herein), submit a revised CPR.

5. When necessity to proceed with a change does not allow Owner sufficient time to conduct a proper check of a CPR (or revised CPR), Owner may issue a Change Directive (CD) as provided below.

6. CONTRACTOR and subcontractors shall, upon Owner's request, permit inspection of the original unaltered cost estimates, subcontract agreements, purchase orders relating to the change, and documents substantiating all costs associated with its CPR or Claims arising from changes in the Work.

1.02 Procedures for Owner-Initiated Change Orders

A. Owner Initiated Change Directives (CD)

1. Owner may, by Change Directive (CD) or initially by Instruction Bulletin or by following the procedures for disputed work herein, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, with or without adjustment to Contract Sum or Contract Time.

2. If at any time Owner believes in good faith that a timely Change Order will not be agreed upon using the foregoing procedures, or at any other time, Owner may issue a CD with its recommended cost and/or time adjustment (if

any). Upon receipt of CD, CONTRACTOR shall promptly proceed with the change of Work involved and respond to Owner within ten Days.

3. CONTRACTOR's response must be any one of following:

- (a) Return CD signed, thereby accepting Owner response, including adjustment to time and cost (if any).
- (b) Submit a (revised if applicable) Cost Proposal with supporting documentation (if applicable, reference original Cost Proposal number followed by letter A, B, etc. for each revision), if Owner so requests.
- (c) Give notice of intent to submit a claim as described in Section 31 of the Contract, and submit its claim as provided therein.

4. If CPR or the CD provides for an adjustment to any Contract Sum, the adjustment shall be based on one of the following methods:

- (a) Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation.
- (b) CONTRACTOR to proceed on cost reimbursable (force account) basis while negotiating towards a firm price.
- (c) Cost to be determined in a manner agreed.

5. Change Directive signed by CONTRACTOR indicates the agreement of CONTRACTOR therewith, including adjustment in Contract Sum or the method for determining them. Such agreement shall be effective immediately and shall be finalized as a Change Order. Where Owner authorizes CD work on a time and materials basis up to a maximum amount, then CONTRACTOR shall promptly advise Owner upon reaching 75% of such maximum amount, otherwise CONTRACTOR shall accept fully the risk of completing the CD work without exceeding such maximum amount.

6. If CONTRACTOR does not respond promptly or disagrees with the method for adjustment (or non-adjustment) in the Contract Sum, the method and the adjustment shall be determined by Owner on the basis of the Contract Documents and the reasonable expenditures and savings of those performing the Work attributable to the change. If the parties still do not agree on the proper adjustment due to a Change Directive, CONTRACTOR may file a Claim per Section 31 of the Contract and/or Owner may direct the changed work through a unilateral change order. CONTRACTOR shall keep and present an itemized accounting, together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this paragraph shall be limited to those provided herein.

7. Pending final determination of cost to Owner, CONTRACTOR may include amounts not in dispute in its Applications for Payment. The amount of credit to be allowed by CONTRACTOR to Owner for a deletion or change which results in a net decrease in the Contract Sum shall be actual net cost as confirmed by Owner. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for Markup shall be figured on the basis of net increase, if any, with respect to that change.

B. Owner Initiated Change Order (CO) Or Request For Proposal (RFP)

1. Owner may initiate changes in the Work or CONTRACT TIME by issuing a Request for Proposal (RFP) or Change Order (CO) to CONTRACTOR.
2. Owner may issue an RFP to CONTRACTOR. Any RFP will detail all proposed changes in the Work and request a quotation of changes in Contract Sum and Contract Time from CONTRACTOR.
3. In response to an RFP, CONTRACTOR shall furnish a Change Proposal Request (CPR) within 7 days of Owner's RFP. Upon approval of CPR, Owner may issue a Change Directive directing CONTRACTOR to proceed with extra Work.
4. If the parties agree on price and time for the work, the Owner will issue a Contract Change Order. If the parties do not agree on the price or time for a CPR, Owner may either issue a CD or decide the issue per Section 31 of the Contract. CONTRACTOR shall perform the changed Work notwithstanding any claims or disagreements of any nature.

1.03. Procedures that Apply to CONTRACTOR- and Owner-Initiated Change Orders

A. Adjustment of Schedules to Reflect Change Orders or CDs

1. CONTRACTOR shall revise Application for Payment forms to record each authorized Change Order or CD as a separate line item and adjust the Contract Sum as shown thereon prior to the next monthly pay period.
2. CONTRACTOR shall revise project schedules prior to the next monthly pay period, to reflect CO or CD.

B. Required Documentation for Adjustments to Contract Amounts

1. For all changes and cost adjustments requested, CONTRACTOR shall provide documentation of change in Contract Amounts asserted, with sufficient data to allow evaluation of the proposal.

2. In all requests for compensation, cost proposals, estimates, claims and any other calculation of costs made under the Contract Documents, CONTRACTOR shall breakout and quantify costs of labor, equipment and materials identified herein, for CONTRACTOR and subcontractors of any tier.

3. CONTRACTOR shall, on request, provide additional data to support computations for:

- (a) Quantities of products, materials, labor and equipment.
- (b) Taxes, insurance, and bonds.
- (c) Justification for any change in Contract Time and new Progress Schedule showing revision due, if any.
- (d) Credit for deletions from Contract, similarly documented.

4. CONTRACTOR shall support each claim or computation for additional cost, with additional information including:

- (a) Origin and date of claim or request for additional compensation.
- (b) Dates and times Work was performed and by whom.
- (c) Time records and wage rates paid.
- (d) Invoices and receipts for products, materials, equipment and subcontracts, similarly documented.
- (e) Credit for deletions from Contract, similarly documented.

C. Responses and Disputes

1. For all responses for which the Contract Documents do not provide a specific time period, recipients shall respond within a reasonable time.

2. For all disputes arising from the procedures herein, CONTRACTOR shall follow Section 31 of the Contract.

1.05 Cost Determination for Changes in Contract Amounts

A. Calculation of Total Cost of Extra Work

1. Total cost of changed Work, extra Work or of Work omitted shall be the sum of three components defined immediately below as: Component 1 (Direct Cost of Construction or Direct Costs); Component 2 (Markup); and, Component 3 (Bonds, Insurance, Taxes).

2. Component 1: Direct Costs of labor, equipment and materials, is calculated based upon actually incurred (or omitted) labor costs, equipment rental costs, and material costs, as defined herein;

3. Component 2: Markup on such actually incurred Direct Costs, is applied in the percentages identified below; and
4. Component 3: Actual additional costs for any additionally required bonds, insurance, and/or taxes by CONTRACTOR, Subcontractors, or other forces, defined herein, is calculated without markup.
5. All amounts payable to Subcontractors under Components 1, 2, and 3: must be earned under the terms of the applicable Subcontracts; must be properly requested, documented and permitted under the terms of the applicable subcontract(s) and Contract Documents; and shall be payable only if changed Work complies with terms of Contract Documents.

1.06 Measurement Of Direct Cost Of Construction (Cost Component 1)

A. Composition of Component 1 (Direct Cost of Construction)

1. Component 1 has three subcomponents, also referred to as labor, equipment, and materials (LEM):

- (a) Labor (Component 1A)
- (b) Equipment (Component 1B)
- (c) Materials (Component 1C)

B. Measurement of Cost of Labor (Component 1A)

1. Cost of Labor shall be calculated as: Cost of labor for workers (including forepersons when authorized by Owner) used in actual and direct performance of the subject work, whether employer is CONTRACTOR, Subcontractor or other forces, in the sum of the following:

- (a) Actual Wages: Actual wages paid shall include any employer payments to or on behalf of workers for health and welfare, pension, vacation, and similar purposes.
- (b) Labor surcharge: Payments imposed by local, county, state, and federal laws and ordinances, and other payments made to, or on behalf of, workers, other than actual wages as defined, such as worker's compensation insurance. Such labor surcharge shall not exceed generally accepted standards in the State for labor rates in effect on date upon which extra Work is accomplished.
- (c) Cost of labor shall include no other costs, fees or charges.

2. Labor cost for operators of equipment owned and operated by CONTRACTOR or any Subcontractor, shall be no more than rates of such labor established by collective bargaining agreements for type of worker and location of

Work, whether or not owner-operator (i.e., CONTRACTOR or Subcontractor) is actually covered by such an agreement.

3. Cost of labor shall be recorded and documented in certified payroll records, maintained in the form customary and/or required in the State, and delivered to Owner weekly.

C. Measurement of Cost of Equipment (Component 1B)

1. Measurement of Component 1B (Cost of Equipment). Cost of Equipment shall be calculated as: Cost of equipment used in actual and direct performance of the subject work, whether by CONTRACTOR, Subcontractor or other forces. Cost of Equipment shall be calculated as herein described.

2. For rented equipment, cost will be based on actual rental invoices, appropriate for the use and duration of the work. Equipment used on extra Work shall be of proper size and type. If, however, equipment of unwarranted size or type and cost is used, cost of use of equipment shall be calculated at rental rate for equipment of proper size and type, as determined by Owner.

3. Equipment rental cost for CONTRACTOR or Subcontractor-owned equipment, shall be determined by reference to, and not in excess of, the generally accepted standards in the State for equipment rental rates in effect on date upon which extra Work is accomplished. If there is no applicable rate for an item of equipment, then payment shall be made for CONTRACTOR or Subcontractor-owned equipment at rental rate listed in the most recent edition of the Caltrans Standard Schedules and Specifications, and absent a rental rate therein, then the Association of Equipment Distributors (AED) book.

4. In all cases, rental rates paid shall be deemed to cover cost of fuel, oil, lubrication, supplies, small tools, necessary attachments, repairs and maintenance of any kind, depreciation, storage, insurance, and all incidentals.

5. Unless otherwise specified, manufacturer's ratings, and manufacturer-approved modifications, shall be used to classify equipment for determination of applicable rental rates. Individual pieces of equipment or tools not listed in said publication and having a replacement value of \$100 or less, whether or not consumed by use, shall be considered to be small tools and no payment will be made therefore as payment is included in payment for labor. Rental time will not be allowed while equipment is inoperative due to breakdowns.

6. For equipment on Site, rental time to be paid for equipment shall be time equipment is in operation on extra Work being performed or on standby as approved by Owner. The following shall be used in computing rental time of equipment:

- (a) When hourly rates are listed, less than 30 minutes of operation shall be considered to be ½ hour of operation.
- (b) When daily rates are listed, less than four hours of operation shall be considered to be ½ Day of operation.
- (c) Rates shall correspond to actual rates paid by CONTRACTOR, i.e., if CONTRACTOR pays lower weekly or monthly rates, then same shall be charged to Owner.

7. For equipment that must be brought to Site to be used exclusively on extra Work, cost of transporting equipment to Site and its return to its original location shall be determined as follows:

- (a) Owner will pay for costs of loading and unloading equipment.
- (b) Cost of transporting equipment in low bed trailers shall not exceed hourly rates charged by established haulers.
- (c) Cost of transporting equipment shall not exceed applicable minimum established rates of California Public Utilities Commission or appropriate State Dept. of Transportation.
- (d) Owner will not make any payment for transporting and loading and unloading equipment if equipment is used on Work in any other way than upon extra Work.
- (e) Rental period may begin at time equipment is unloaded at Site of extra Work and terminate at end of the performance of the extra Work or Day on which Owner directs CONTRACTOR to discontinue use of equipment, whichever first occurs. Excluding Saturdays, Sundays, and Owner legal holidays, unless equipment is used to perform extra Work on such Days, rental time to be paid per Day shall be four hours for zero hours of operation, six hours for four hours of operation and eight hours for eight hours of operation, time being prorated between these parameters. Hours to be paid for equipment that is operated less than eight hours due to breakdowns, shall not exceed eight less number of hours equipment is inoperative due to breakdowns.

8. Employee vehicles are not part of Component 1A, rather, are included within Component 2 (Markup).

9. Cost of Equipment shall include no other costs, fees or charges.

D. Measurement of Cost of Material (Component 1C)

1. Cost of Material shall be calculated as herein described. Cost of such materials will be cost to purchaser (CONTRACTOR, Subcontractor or other forces) from supplier thereof, except as the following are applicable:
2. If cash or trade discount by actual supplier is offered or available to purchaser, it shall be credited to Owner notwithstanding fact that such discount may not have been taken.
3. For materials salvaged upon completion of Work, salvage value of materials shall be deducted from cost, less discounts, of materials.
4. If cost of a material is, in opinion of Owner, excessive, then cost of material shall be deemed to be lowest current wholesale price at which material is available in quantities concerned delivered to Site, less any discounts as provided in this Paragraph.
5. Cost of Material shall include no other costs, fees or charges.

1.07 Measurement and Payment of Markup (Cost Component 2)

A. Markup Percentages for Changed Work (Component 2)

1. Markup on Direct Cost of labor, materials and equipment for extra Work pursuant to the Contract Documents performed by CONTRACTOR shall be 15%.
2. When extra Work is performed by Subcontractors, regardless of the number of tiers, total Markup on Component 1 Direct Costs shall be 20%. CONTRACTOR and its Subcontractors shall divide the 20% as they may agree.
3. Under no circumstances shall the total Markup on any extra Work exceed 20%, stated as a percent of the Direct Cost of labor, equipment and materials. This limitation shall apply regardless of the actual number of subcontract tiers.
4. On proposals covering both increases and decreases in Contract Sum, Markup shall be allowed on the net increase only as determined above. When the net difference is a deletion, no percentage for Markup shall be allowed, but rather an appropriate percentage deduction shall be issued in the amount of the net difference.

B. Measurement and Payment of Markup (Component 2)

1. Markup (Component 2) provides complete compensation to CONTRACTOR and all Subcontractors for:
 - (a) All CONTRACTOR and Subcontractor profit;
 - (b) All CONTRACTOR and Subcontractor home-office overhead;
 - (c) All CONTRACTOR and Subcontractor assumption of risk assigned to CONTRACTOR under the Contract Documents;

(d) Subject to the qualifications below regarding self-performed work, all General Conditions and General Requirements of CONTRACTOR (and, if applicable, Subcontractors).

2. Profit. Compensation for profit included within Component 2 (Markup), includes without limitation: Fees of all types, nature and description; and Profit and margins of all types, nature and description.

3. Home Office Expenses. Compensation for home office expenses included within Component 2 (Markup), includes without limitation: Salaries and other compensation of any type of CONTRACTOR's and Subcontractor's personnel (management, administrative and clerical), and all direct and indirect operating, travel, payroll, safety, storage, quality control, maintenance and overhead costs of any nature whatsoever, incurred by CONTRACTOR and Subcontractors at any location other than the Project specific site office, including without limitation, CONTRACTOR's principal or branch offices; insurance premiums other than those for Project specific insurance directed by the Owner in a change order; all hardware, software, supplies and support personnel necessary or convenient for CONTRACTOR's capture, documentation and maintenance of its costs and cost accounting data and cost accounting and control systems and work progress reporting.

4. Assumption of Risk. Compensation for CONTRACTOR's and Subcontractor's assumption of risk under the Contract Documents, included within Component 2 (Markup), includes, without limitation, loss, cost, damage, expense or liability resulting directly or indirectly from any of the following causes (unallowable costs), for CONTRACTOR and Subcontractors of any tier: noncompliance with the Contract Documents, fault or negligence, defective or non-conforming Work, by CONTRACTOR or any Subcontractor or Vendor of any tier or anyone directly or indirectly employed by any of them, or for whose acts or omissions any of them are responsible or liable at law or under the Contract Documents; cost overruns of any type; costs in excess of any lump sum, not to exceed amount or GMP; costs resulting from bid, proposal, or "buy out" errors, unallocated scope, or incomplete transfer of scope or contract terms to Subcontractors; any costs incurred by CONTRACTOR relating to a Change in the Work without a Change Order or Change Directive in accordance with the Contract Documents; costs for work or materials for which no price is fixed in the Contract Documents, unless it is expressly specified that such work or material is to be paid for as extra work.

5. Agreement General Requirements. Compensation for CONTRACTOR's (and, if applicable Subcontractors') General Requirements Costs included within

Component 2 (Markup) includes compensation for: CONTRACTOR's direct costs, without overhead or profit, "General Conditions" costs, for salaries and related forms of compensation and employer's costs for labor and personnel costs, of CONTRACTOR's employees and subconsultant's employees (if any), while and only to the extent they are performing Work at the Project Site, and all "General Requirements Costs" below. Personnel and Work compensated by this Component include, without limitation: All required Project management responsibilities; all on-site services; monthly reporting and scheduling; routine field inspection of Work; general superintendence; general administration and preparation of cost proposals, schedule analysis, change orders and other supporting documentation as necessary; salaries of project superintendent, project engineers, project managers, safety manager, other manager, timekeeper, and secretaries; all cost estimates and updates thereto; development, validation and updates to the project schedule; surveying; and estimating. General Requirements Costs included within Component 2 (Markup) include, without limitation: all scheduling hardware, software, licenses, equipment, materials and supplies; purchase, lease or rental, build out, procurement, supporting equipment and maintenance of temporary on Site facilities, Project field and office trailers and other temporary facilities, office equipment and supporting utilities; platforms, fencing, cleanup and jobsite security; temporary roads, parking areas, temporary security or safety fencing and barricades, etc.; all CONTRACTOR's motor vehicles used by any CONTRACTOR's personnel, and all costs thereof; all health and safety requirements, required by law or Owner procedures; all surveying; all protection of Work; handling and disposal fees; final cleanup; repair or maintenance; other incidental Work; all items, activities and function similar to any of those described above; all travel, entertainment, lodging, board and the like.

6. Personnel compensated by the Markup Component do not include workers of foreman level or below in the case of self-performed work; rather, such personnel shall be treated as a Direct Cost of Construction. Costs compensated by Component 2 (Markup) do not include temporary measures specifically required by the changed work, not otherwise required or ongoing in the prosecution of the Work, that commence specifically to support the changed work and conclude with the completion of the changed work. Such costs shall be treated as Direct Costs of Construction. Examples of General Requirements costs that this component may not cover are the following: temporary barricades or fencing of specific areas required specifically for the changed work; cranes required specifically for the changed work; and extra security required specifically for the changed work.

1.08 Measurement and Payment of Bonds, Insurance, Taxes (Component 3)

A. Measurement of Bonds, Insurance, Taxes (Component 3)

1. Component 3 (Bonds, Insurance, Taxes) consists of the cost of bonds, insurance and taxes, also referred to as BIT. All State sales and use taxes, applicable County and applicable Town sales taxes, shall be included. Federal and Excise tax shall not be included.
2. There is no markup on BIT.

1.09 Effect Of Payment

A. Change Order Compensation is All Inclusive

1. Except as provided expressly below regarding changes that extend the Contract Time, payment of calculated cost of extra work constitutes full and complete compensation for costs or expense arising from the extra Work, and is intended to be all inclusive.
2. Payment for Direct Cost of Construction (Component 1 or LEM) is intended to be all-inclusive. Any costs or risks not delineated within cost of labor, equipment or materials herein, shall be deemed to be within the costs and risks encompassed by the applicable Markups and unallowable in any separate amount.
3. Payment of Markup (Component 2) is intended to be all-inclusive. CONTRACTOR waives claims for any further or different payment of cost and risk items delineated herein, other than the allowable percentage markup on costs set forth in the Contract Documents; such separate, further or different cost or risk items shall be unallowable, waived and liquidated within the allowable percentage markup.
4. CONTRACTOR shall recover no other costs or markups on extra work of any type, nature or description.

B. Exception for Changes Extending Contract Time

1. Where a change in the Work extends the CONTRACT TIME, CONTRACTOR may request and recover additional, actual direct LEM costs, provided CONTRACTOR can demonstrate such additional costs are (i) actually incurred performing the Work, (ii) not compensated by Component 2 (Markup), and (iii) directly result from the extended CONTRACT TIME. CONTRACTOR shall make such request and provide such documentation following all required procedures, documentation and time requirements in the Contract Documents, and subject to all contract limitations of liability. CONTRACTOR may not seek or recover such costs using formulas (e.g., Eichleay).

C. Limits of Liability/Accord and Satisfaction

1. The foregoing limits of compensation apply in all cases of claims for changed Work, whether calculating Change Proposal Requests, Change Orders or CDs, or calculating claims and/or damages of all types, and applies even in the event of fault, negligence, strict liability, or tort claims of all kinds, including strict liability or negligence. CONTRACTOR may recover no other costs arising out of or connected with the performance of extra Work, of any nature.

2. Under no circumstances may CONTRACTOR claim or recover special, incidental or consequential damages against Owner, its representatives or agents, whether arising from breach of contract, negligence, strict liability or other tort or legal theory, unless specifically and expressly authorized in the Contract Documents.

3. No change in Work shall be considered a waiver of any other condition of Contract Documents. No claim shall be made for anticipated profit, for loss of profit, for damages, or for extra payment whatever, except as expressly provided for in Contract Documents.

4. Accord and Satisfaction: Every Change Order and accepted CD shall constitute a full accord and satisfaction, and release, of all CONTRACTOR (and if applicable, Subcontractors) claims for additional time, money or other relief arising from or relating to the subject matter of the change including, without limitation, impacts of all types, cumulative impacts, inefficiency, overtime, delay and any other type of claim. CONTRACTOR may elect to reserve its rights to disputed claims arising from or relating to the changed Work at the time it signs a Change Order or approves a CD, but must do so expressly in a writing delivered concurrently with the executed Change Order or approved CD, and must also submit a Claim for the reserved disputed items pursuant to Section 31 of the Contract no later than 30 Days after CONTRACTOR's first written notice of its intent to reserve rights. Execution of any Change Order or CD shall constitute CONTRACTOR's representation of its agreement with this provision.

1.10 Miscellaneous Requirements

A. Records and Certification

1. All charges shall be recorded daily and summarized in Change Proposal Request form attached hereto. CONTRACTOR or authorized representative shall complete and sign form each day. CONTRACTOR shall also provide with the form: the names and classifications of workers and hours worked by each; an itemization of all materials used; and a list by size type and identification number of equipment and hours operated.

2. Owner shall have the right to audit all records in possession of CONTRACTOR relating to activities covered by CONTRACTOR's claims for modification of Contract, including CD Work. This right shall be specifically enforceable, and any failure of CONTRACTOR to voluntarily comply shall be deemed an irrevocable waiver and release of all claims then pending that were or could have been subject to Section 31 of the Contract.

COST PROPOSAL FORM

[Insert Project Name]

Contract Number _____

CP Number: _____

Date: _____

In Response To _____

(RFP #, etc.)

To: Housing Authority, County of Monterey

Attention: [_____]

_____, CA 9 _____

Phone: (____) ____-____

Fax: (____) ____-____

From: [Insert Contractor's Name/Address] _____

This Cost Proposal is in response to the above-referenced _____ [insert RFP, etc. as applicable].

Brief description of change(s): _____

ITEM DESCRIPTION	PRIME CONTRACTOR	SUB 1	SUB 2	SUB 3	SUB 4	TOTAL
LABOR						
EQUIPMENT						
MATERIAL						
TOTAL DIRECT COST OF CONSTRUCTION (LEM)						
MARKUP FOR PRIME CONTRACTOR'S SELF-PERFORMED WORK (15%)						
MARKUP FOR SUBCONTRACTOR-PERFORMED WORK (20%)						
BONDS, INSURANCE AND TAXES						
GRAND TOTAL						

REQUESTED CHANGE IN CONTRACT TIME (DAYS)

By Contractor: _____

Signature: _____

Date: _____

EXHIBIT I

FORM OF PERFORMANCE BOND

PERFORMANCE BOND

THIS PERFORMANCE BOND (**Bond**) is dated **[Month, Day]**, 202_ is in the amount of **[Insert Amount]** (**Penal Sum**), which is 100% of the Contract Sum and is entered into by and between the parties listed below to ensure the faithful performance of the Contract identified below. This Bond consists of this page and the Bond Terms and Conditions, Paragraphs 1 through 14 attached to this page. Any singular reference to **PRECISION CONSTRUCTION & PROPERTY DAMAGE MITIGATION INC (Contractor)**, **[Insert name of Surety]** (**Surety**), **Housing Authority of the County of Monterey (Owner)**, or other party shall be considered plural where applicable.

CONTRACTOR:

**PRECISION CONSTRUCTION
& PROPERTY DAMAGE
MITIGATION INC**

Address

City/State/Zip

SURETY:

[Insert name of Surety]

Principal Place of Business

City/State/Zip

CONTRACT:

Contract For Special Services dated _____, in the amount of
\$_____.

CONTRACTOR AS PRINCIPAL

Company: (Corp. Seal)

Signature: _____

Name: _____

Title: _____

SURETY

Company: (Corp. Seal)

Signature: _____

Name: _____

Title: _____

BOND TERMS AND CONDITIONS

ARTICLE 1 Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to Owner for the complete and proper performance of the Contract, which is incorporated herein by reference.

ARTICLE 2 If Contractor completely and properly performs all of its obligations under the Contract, Surety and Contractor shall have no obligation under this Bond.

ARTICLE 3 If there is no Owner Default, Surety's obligation under this Bond shall arise after:

3.01 Owner provides Surety with written notice that Owner has declared a Contractor Default under the Contract pursuant to the terms of the Contract; and

3.02 Owner has agreed to pay the Balance of Contract Sum:

A. To Surety in accordance with the terms of this Bond and the Contract; or

B. To a Contractor selected to perform the Contract in accordance with the terms of this Bond and the Contract.

ARTICLE 4 When Owner has satisfied the conditions of Article 3 above, Surety shall promptly (within 40 Days) and at Surety's expense elect to take one of the following actions:

4.01 Arrange for Contractor, with consent of Owner, to perform and complete the Contract (but Owner may withhold consent, in which case the Surety must elect an option described in Paragraphs 4.02, 4.03 or 4.04 below); or

4.02 Undertake to perform and complete the Contract itself, through its qualified agents or through qualified independent contractors or qualified entities; provided, that Surety may not select Contractor as its agent or independent contractor or Contractor without Owner's consent; or

4.03 Undertake to perform and complete the Contract by obtaining bids from qualified contractors or qualified entities acceptable to Owner for a contract for performance and completion of the Contract and, upon determination by Owner of the lowest responsive and responsible Bidder, arrange for a contract to be prepared for execution by Owner and the contractor or Contractor selected with Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Contract; and, if Surety's obligations defined in Article 6 below, exceed the Balance of Contract Sum, then Surety shall pay to Owner the amount of such excess; or

4.04 Waive its right to perform and complete, arrange for completion, or obtain a new contractor or Contractor, and with reasonable promptness under the circumstances and, after investigation and consultation with Owner, determine in good faith its monetary obligation to Owner under Article 6 below, for the performance and completion of the Contract and, as soon as practicable after the amount is determined, tender payment therefor to Owner with full explanation of the payment's calculation. If Owner accepts Surety's tender under this Paragraph 4.04, Owner may still hold Surety liable for future damages then unknown or unliquidated resulting from the Contractor Default, as agreed by Owner and Surety at the time of tender. If Owner disputes the amount of Surety's tender under this Paragraph 4.04, Owner may exercise all remedies available to it at law to enforce Surety's liability under Articles 6 and 7 below.

ARTICLE 5 At all times Owner shall be entitled to enforce any remedy available to Owner at law or under the Contract including, without limitation, and by way of example only, rights to perform work, protect Work, mitigate damages, advance critical Work to mitigate schedule delay, and coordinate Work with other consultants or contractors.

ARTICLE 6 If Surety elects to act under Paragraphs 4.01, 4.02 or 4.03 above, within the time period provided in Article 4, above, and complies with its obligations under this Bond, Surety's obligations under this Bond are commensurate with Contractor's Contract obligations. Surety's obligations include, but are not limited to:

- 6.01** Contractor's obligations to complete the Contract and correct Defective Work;
- 6.02** Contractor's obligations to pay liquidated damages and for damages for which no liquidated damages are specified in the Contract, actual damages caused by non-performance of the Contract including, but not limited to, all valid and proper backcharges, offsets, payments, indemnities, or other damages; and
- 6.03** To the extent otherwise required of Contractor under the Contract, Contractor's obligations to pay additional legal, design professional, and other costs not included within liquidated damages resulting from Contractor Default (but excluding attorney's fees incurred to enforce this Bond).

ARTICLE 7 If Surety does not elect to act under Paragraphs 4.01, 4.02, 4.03, or 4.04, above, within the time period provided in Article 4, above, or comply with its obligations under this Bond, then Surety shall be deemed to be in default on this Bond ten Days after receipt of an additional written notice from Owner to Surety demanding that Surety perform its obligations under this Bond. Such Surety default shall be independent of the Contractor Default. To the extent Surety's independent default causes Owner to suffer damages including, but not limited to, delay damages, which are different from, or in addition to (but not duplicative of) damages which Owner is entitled to receive under the Contract, Surety shall also be liable for such damages. In the event any Surety obligation following its independent default is inconsistent or conflicts with California Civil Code Section 2809, or any other law which either prohibits, restricts, limits or modifies in any way any obligation of a surety which is larger in amount or in any other respect more burdensome than that of the principal, Surety hereby waives the provisions of such laws to that extent.

ARTICLE 8 If Surety elects to act under Paragraphs 4.01, 4.03 or 4.04 above, within the time period provided in Article 4, above, and complies with all obligations under this Bond, Surety's monetary obligation under this Bond is limited to the Penal Sum.

ARTICLE 9 No right of action shall accrue on this Bond to any person or entity other than Owner or its successors or assigns.

ARTICLE 10 Surety hereby waives notice of any change, alteration or addition to the Contract or to related subcontracts, design agreements, purchase orders and other obligations, including changes of time, and of any Owner action in accordance with Article 5 above. Surety consents to all terms of the Contract, including provisions on changes to the Contract. No extension of time, change, alteration, Modification, deletion, or addition to the Contract Documents, or of the Work (including services) required thereunder, or any Owner action in accordance with Article 5 above shall release or exonerate Surety on this Bond or in any way affect the obligations of Surety on this Bond, unless such action is an Owner Default.

ARTICLE 11 Any proceeding, legal or equitable, under this Bond shall be instituted in any court of competent jurisdiction where a proceeding is pending between Owner and Contractor regarding the Contract, or in the Superior Court of the County of Monterey, California, or in a court of competent jurisdiction in the location in which the Work is located. Communications from Owner to Surety under Paragraph 3.01 above shall be deemed to include the necessary agreements under Paragraph 3.02 above unless expressly stated otherwise.

ARTICLE 12 All notices to Surety or Contractor shall be mailed or delivered (at the address set forth on the signature page of this Bond), and all notices to Owner shall be mailed or delivered as provided in the Contract. Actual receipt of notice by Surety, Owner or Contractor, however accomplished, shall be sufficient compliance as of the date received at the foregoing addresses.

ARTICLE 13 Any provision in this Bond conflicting with any statutory or regulatory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein.

ARTICLE 14 Definitions

- 14.01 Balance of Contract Sum:** The total amount payable by Owner to Contractor pursuant to the terms of the Contract after all proper adjustments have been made under the Contract, for example, deductions for progress payments made, and increases/decreases for approved Modifications to the Contract.
- 14.02 Contract:** The agreement between Owner and Contractor identified on the signature page of this Bond, including all Contract Documents and changes thereto.
- 14.03 Contractor Default:** Material failure of Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract, limited to "default" or any other condition allowing a termination for cause as provided in the Contract.
- 14.04 Owner Default:** Material failure of Owner, which has neither been remedied nor waived, to pay Contractor progress payments due under the Contract or to perform other material terms of the Contract, if such failure is the cause of the asserted Contractor Default and is sufficient to justify Contractor termination of the Contract.

END OF DOCUMENT

EXHIBIT J
FORM OF PAYMENT BOND

CONSTRUCTION LABOR AND MATERIAL PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS:

- 1.01** THAT WHEREAS, Housing Authority of the County of Monterey (Owner) has awarded to Precision Construction & Property Damage Mitigation Inc as Principal, Contract Number _____ dated the _____ day of _____, 202__ (the **Contract**), in the amount of \$_____, which Contract is by this reference made a part hereof, for the work of the following Contract:

CONTRACT FOR SPECIAL SERVICES

- 1.02** AND WHEREAS, Principal is required to furnish a bond in connection with the Contract to secure the payment of claims of laborers, mechanics, material suppliers, and other persons as provided by law;
- 1.03** NOW, THEREFORE, we, the undersigned Principal and (Name of Surety), as Surety, are held and firmly bound unto Owner in the sum of 100% OF THE CONTRACT PRICE (\$_____), for which payment well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.
- 1.04** THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal, or its executors, administrators, successors, or assigns approved by Owner, or its subcontractors shall fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the State of California Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the State of California Employment Development Department from the wages of employees of Principal and subcontractors pursuant to Section 13020 of the State of California Unemployment Insurance Code with respect to such work and labor, that Surety will pay for the same in an amount not exceeding the sum specified in this bond, plus reasonable attorneys' fees, otherwise the above obligation shall become and be null and void.
- 1.05** This bond shall inure to the benefit of any of the persons named in California Civil Code Section 9100, as to give a right of action to such persons or their assigns in any suit brought upon this bond. The intent of this bond is to comply with the California Mechanic's Lien Law.
- 1.06** Surety, for value received, hereby expressly agrees that no extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder, shall in any way affect the obligation of this bond; and it does hereby waive notice of any such extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder.
- 1.07** Surety's obligations hereunder are independent of the obligations of any other surety for the payment of claims of laborers, mechanics, material suppliers, and other persons in connection with Contract; and suit may be brought against Surety and such other sureties, jointly and severally, or

against any one or more of them, or against less than all of them without impairing Owner's rights against the other.

- 1.08** Correspondence or claims relating to this bond shall be sent to Surety at the address set forth below.

IN WITNESS WHEREOF, we have hereunto set our hands this ____ day of _____, 20____.

CONTRACTOR AS PRINCIPAL

Company: (Corp. Seal)

Signature

Name

Title

Street Address

City, State, Zip Code

SURETY

Company: (Corp. Seal)

Signature

Name

Title

Street Address

City, State, Zip Code

END OF DOCUMENT

RESOLUTION 3142

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF MONTEREY AND AWARDING A CONTRACT TO ENVIRO-TEMP, INC.

WHEREAS, the Housing Authority of the County of Monterey (“Housing Authority”) has undertaken the King City Homekey Project, also known as Casa de Esperanza, pursuant to which the Housing Authority will be renovating the Days Inn Motel, located at 1130 Broadway Street, King City, CA to serve as affordable housing for individuals currently experiencing homelessness (“Project”); and

WHEREAS, the Housing Authority intends to act as General Contractor for the Project; and

WHEREAS, the Project is more particularly described in the plans and specifications for the Project which are located at the Housing Development Corporation’s offices at 303 Front Street, #107, Salinas, CA 93901 (“Plans and Specifications”); and

WHEREAS, the Housing Authority issued Request for Proposal no. HACM-2025-06 on or about June 24, 2025 (“RFP”) seeking proposals to provide procurement and installation services relating to furnaces for the Project consistent with the Plans and Specifications (“Furnace Services”); and

WHEREAS, Enviro-Temp, Inc. (“Enviro-Temp”) and No Worries Plumbing responded to the RFP; and

WHEREAS, no other proposals were received for the Furnace Services; and

WHEREAS, Enviro-Temp proposed to perform the Furnace Services for a total sum of \$372,695.00; and

WHEREAS, Housing Authority staff reviewed both proposals, and recommends that the Housing Authority award work on the Furnace Services to Enviro-Temp because Enviro-Temp had the lowest cost proposal and scored highest on the Housing Authority’s scoring matrix; and

WHEREAS, at its Board Meeting on September 22, 2025, the Housing Authority previously approved the Plans and Specifications for the Project, as well as a form of agreement with Precision Construction to use as a template to prepare contracts with other contractors for the Project (“Template Agreement”) through approval of Resolution 3142; and

WHEREAS, the Template Agreement is attached hereto as Exhibit A; and



WHEREAS, at its Board Meeting on September 22, 2025, the Housing Authority previously determined the Project is exempt from CEQA through approval of Resolution 3142.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF MONTEREY, DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The foregoing Recitals are true and correct and are incorporated herein by this reference.

SECTION 2. The Board accepts the proposal of Enviro-Temp in the total sum of \$372,695, and awards to Precision Construction the contract for performance of the Furnace Services, in accordance with the previously approved Plans and Specifications, in the amount of \$372,695.

SECTION 3. The Board approves and authorizes the Executive Director to negotiate and execute an agreement with Enviro Temp in substantially the form of the Template Agreement attached hereto as Exhibit A in the amount of \$372,695, plus a five percent adjustment for any final negotiations with Enviro-Temp or such other amount agreed. The Template Agreement may be modified to meet Enviro-Temp's requirement to make a deposit of 25% of the Contract Sum. The Executive Director is further authorized to issue change orders up to 5% of the contract sum relating to performance of the Furnace Services.

SECTION 4. Approval of the agreement with Enviro-Temp does not alter the Project for purposes of CEQA. The Project is exempt from CEQA as the Board previously determined for the reasons stated in Resolution 3142.

SECTION 5. The Clerk of the Board shall certify to the adoption of this Resolution, which, shall in turn, have immediate effect.

PASSED, APPROVED, and ADOPTED this [redacted] day of [redacted] 2025.

Kathleen Ballesteros, Vice Chair

ATTEST:

Secretary

EXHIBIT A

**CONTRACT FOR SPECIAL SERVICES
BY AND BETWEEN
HOUSING AUTHORITY OF THE
COUNTY OF MONTEREY
AND PRECISION CONSTRUCTION & PROPERTY DAMAGE MITIGATION INC**

This CONTRACT FOR SPECIAL SERVICES (“Contract” or “Agreement”) is made on _____ (“Effective Date”) by and between the Housing Authority of the County of Monterey, a public agency (“HACM” or “Owner”) and Precision Construction & Property Damage Mitigation Inc, a California corporation, dba Precision Construction (“CONTRACTOR”). HACM and CONTRACTOR are each a “Party” and are collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, HACM owns the Days Inn Motel, located at 1130 Broadway Street, King City, CA (“Days Inn”);

WHEREAS, HACM is undertaking the King City Home Key project, which involves the renovation of the Days Inn located on a 1 acre parcel in King City. (“Project.”) The two story facility is slated for conversion into 45 studio units aimed at providing stable, affordable housing for individuals currently experiencing homelessness along the Salinas River encampments.

WHEREAS, HACM obtained grant funding from California Department of Housing and Community Development (“HCD”), and the Central California Alliance for Health (“CAAH”) to perform work at Days Inn;

WHEREAS, HACM is acting as General Contractor for the Project;

WHEREAS, the following services are needed for the Project:

- A comprehensive landscaping solution, including among other things, developing and implementing a landscape design, grading, designing and constructing a dog walk and dog park design, and performing debris removal.
- Specified construction services; and
- Cabinetry & countertops procurement and installation services are needed for the Project

WHEREAS, HACM issued Requests for Proposals, Nos. HACM-2025-09, and HACM-2025-11, on or about June 24, 2025, and July 7, 2025 (collectively “RFPs”) seeking proposals for the aforementioned services¹ (collectively “Special Services”);

¹ HACM-2025-11 also sought proposals for other services relating to the Project, but those other services are going to be performed by other contractors.

WHEREAS, CONTRACTOR is qualified to perform such Special Services;

WHEREAS, CONTRACTOR submitted proposals on August 19, 2025 (landscaping; architectural and specified construction), and September 8, 2025 (cabinetry & countertops) in response to the RFPs (collectively "Proposal"); and

WHEREAS, CONTRACTOR was the successful proposer in connection with HACM's RFPs with respect to the Special Services;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

1. RECITALS. The above recitals are true and correct, and are part of this Contract.

2. DESCRIPTION OF SERVICES. CONTRACTOR shall furnish all labor, material and equipment as outlined and specified in the Scope of Services attached hereto as Exhibit A and incorporated herein by this reference (collectively, "Service" or "Services" also referred to as the "Work").

2.1 CONTRACTOR shall comply with all applicable codes, laws, or regulations.

2.2 CONTRACTOR affirms that it is fully apprised of all of the work to be performed under this Contract and CONTRACTOR agrees it can properly perform this work;

2.3 Acceptance by HACM of CONTRACTOR's work does not operate as a release of CONTRACTOR's responsibility for full compliance with the terms of this Contract.

2.4 CONTRACTOR represents and maintains that it is skilled in the professional calling necessary to perform all services, duties and obligations required by this Contract and to fully and adequately provide all services. CONTRACTOR understands and agrees that HACM is relying upon this representation. CONTRACTOR shall perform the services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. CONTRACTOR further represents and warrants to HACM that it has all licenses, permits, qualifications and approvals of whatever nature that are legally required to practice its profession. CONTRACTOR further represents that it shall keep all such licenses and approvals in effect during the Term of this Contract.

3. PERIOD OF PERFORMANCE.

3.1 Term. The term of this Contract shall commence on the Effective Date and continue until such a time as mutually agreed by the parties in writing, unless earlier terminated pursuant to section 14 below ("Term").

3.2 Preconstruction Services. CONTRACTOR, upon the effective date, is expected to begin performing the obligations in the Scope of Services, which is attached as Exhibit A. Before receiving a Notice to Proceed, CONTRACTOR will generally assist with preparation

and planning for the Project, including developing a Landscaping Plan, working on project management tasks, and assisting with development of an asbestos abatement demolition plan, and related logistics. During this time, CONTRACTOR will also prepare and submit the Schedule of Values discussed in Exhibit H, which will be used for measurement and payment. CONTRACTOR will also perform any planning and investigation work required prior to commencing cavitation and grading work to protect underground facilities.

3.3 CONTRACTOR understands and agrees that there is other work to be performed on site not contemplated in this Contract, and that the components of the overall Project contemplated under this Contract will need to be scheduled at an appropriate time in HACM's sole discretion that accommodates this and other factors. HACM will issue Notices to Proceed with specific categories of work at an appropriate time within the scope of the overall Project as described in the Scope of Services attached hereto as Exhibit A.

3.4 The Contract Time for completion of specified project categories is provided in Exhibit B.

3.5 Time is of the essence in the performance of all the terms and conditions of this Contract.

3.6 All performance and cure periods expire at 5:00 p.m., Monterey, California time on the applicable date.

3.7 A performance or cure date which otherwise would be a Saturday, Sunday or HACM holiday shall be extended to the next HACM working day.

3.8 "Days" refers to calendar days unless otherwise specified.

3.9 Liquidated Damages

3.9.1 CONTRACTOR AND HACM HEREBY AGREE THAT THE EXACT AMOUNT OF DAMAGES FOR FAILURE TO COMPLETE THE WORK WITHIN THE TIME SPECIFIED IS EXTREMELY DIFFICULT OR IMPOSSIBLE TO DETERMINE. IF THE WORK IS NOT COMPLETED IN THE TIME SET FORTH IN THE AGREEMENT, IT IS UNDERSTOOD THAT HACM WILL SUFFER DAMAGES. IT BEING IMPRACTICAL AND UNFEASIBLE TO DETERMINE THE AMOUNT OF ACTUAL DAMAGE, IT IS AGREED THE CONTRACTOR SHALL PAY TO HACM THE AMOUNT LIQUIDATED DAMAGES SET FORTH IN THE AGREEMENT, FOR EACH CALENDAR DAY OF DELAY IN REACHING FINAL COMPLETION.

3.9.2 CONTRACTOR shall be assessed liquidated damages if CONTRACTOR fails to complete specified work within the CONTRACT TIME for any applicable category of work. The amount of liquidated damages shall be \$250 per day.

4. COMPENSATION/PAYMENT.

4.1 HACM will compensate CONTRACTOR for all services rendered, products provided and costs and expenses incurred for the Service as provided pursuant to this Contract Time attached hereto as Exhibit B and incorporated herein by this reference. Payment shall be made consistent with the measurement and payment procedures provided in Exhibit G.

4.2 The maximum total amount of compensation paid to the CONTRACTOR by HACM pursuant to this Contract shall not exceed the maximum total sum of nine hundred sixty-four thousand, three hundred seventy-six Dollars (\$964,376.00), including any expenses ("Maximum Contract Amount" or "Contract Sum").

4.3 HACM is not responsible for any fees or costs above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products, unless agreed to by HACM in writing.

4.4 CONTRACTOR shall submit applications for payment to HACM in accordance with Exhibit G attached hereto. HACM shall process applications for payment consistent with Exhibit G.

4.5 No payroll or employment taxes of any kind will be withheld or paid by HACM on behalf of CONTRACTOR. HACM will not treat CONTRACTOR as an employee with respect to the Contract services for any purpose, including federal and state tax purposes. CONTRACTOR understands and agrees that it is CONTRACTOR's sole responsibility to pay all taxes required by law, including self-employment social security tax. HACM will issue an IRS 1099 Form, or other appropriate tax reporting document, to CONTRACTOR for the Contract Services.

5. ADDITIONAL SERVICES. The CONTRACTOR shall not perform any additional services or incur additional expenses, outside of this Contract, without first receiving the express written consent to proceed from HACM in the form of an amendment to this Contract.

6. AMENDMENTS TO WORK PROGRAM. Any amendments or modifications to this Contract shall require the prior written approval of the HACM Board of Directors, unless such amendment or modification is within the delegated authority of the HACM Executive Director as authorized by the HACM Board of Directors. Such changes shall be mutually agreed upon by and between the Executive Director and CONTRACTOR and shall be incorporated in written amendments to this Contract. Any requested changes to the Contract Sum or Contract Time will be made solely pursuant to the procedures set forth in, and subject to the limitations provided in, Exhibit H ("Modifications").

7. INSPECTION OF SERVICES. All performances under this Contract shall be subject to inspection by HACM. CONTRACTOR shall provide adequate cooperation to HACM representative to permit him/her to determine CONTRACTOR's conformity with the terms of this Contract. If any services performed or products provided by CONTRACTOR are not in

conformance with the terms of this Contract or the RFP, or applicable codes, regulations, laws, or requirements of any permit or inspector, HACM shall have the right to require CONTRACTOR to perform the services or provide the products in conformance with the foregoing at no additional cost to HACM. When the services to be performed or the products to be provided are of such nature that the difference cannot be corrected, HACM shall have the right to: (1) require CONTRACTOR immediately to take all necessary steps to ensure future performance in conformity with the terms of this Contract; and/or (2) if applicable, reduce the Contract price to reflect the reduced value of the services performed or products provided. HACM may also terminate this Contract for default and charge to CONTRACTOR any costs incurred by HACM because of CONTRACTOR's failure to perform.

CONTRACTOR shall establish adequate procedures for self-monitoring to ensure proper performance under this Contract; and shall permit an HACM representative to monitor, assess or evaluate CONTRACTOR's performance under this Contract at any time upon reasonable notice to CONTRACTOR.

8. INDEPENDENT CONTRACTOR.

CONTRACTOR shall act as an independent contractor performing work under the Contract, maintaining complete control over its employees and all of its subcontractors. CONTRACTOR shall perform all work in an orderly, timely, and workmanlike manner. CONTRACTOR shall also enforce strict discipline, satisfactory conduct and order among its employees and subcontractors.

Before starting work, CONTRACTOR shall designate in writing its authorized representative who shall have the authority to represent and act for CONTRACTOR. The CONTRACTOR's authorized representative shall be supported by competent assistants, as necessary, and the authorized representative and his/her assistants shall be satisfactory to HACM. CONTRACTOR shall provide a clear, written definition of the scope of the authorized representative's and assistant(s') authority to act for CONTRACTOR, and shall specify any and all limitations on such authority. The authorized representative shall be present or be duly represented at the site of work at all times when work is actually in progress. During periods when work is suspended, arrangements acceptable to HACM shall be made for any emergency work which may be required. HACM reserves the right to have the authorized representative removed from the Project and replaced with another person who is acceptable to HACM. All requirements, instructions, and other communications given to the authorized representative by HACM shall be as binding as if given to CONTRACTOR. Before starting work, CONTRACTOR shall give the HACM a written list of the addresses and telephone numbers where the CONTRACTOR's authorized representative and assistants, including the project manager, project superintendent, and foremen, can be reached during hours when the work is not in progress.

CONTRACTOR shall employ only competent workers in numbers sufficient to complete the work within the time limits specified or required to meet approved construction schedules. Each machine or unit of equipment shall be operated by a person competent in handling the particular machine or equipment in use, at a speed or rate of production not to exceed that recommended by the manufacturer.

When required by HACM, CONTRACTOR shall remove from the work any person who commits trespass, or is, in the opinion of HACM, incompetent or acts in a disorderly, insubordinate, or otherwise objectionable manner. HACM's policy is zero tolerance for any person who acts in a dangerous or threatening manner to any persons participating in the work, or is under the influence of alcohol or illegal drugs. HACM will remove or require the immediate removal of all persons who demonstrate such behavior and may be grounds to find CONTRACTOR in breach of contract. Such removal or termination shall not be the basis of any claim against HACM, or any of its officers or representatives. However, nothing contained in this section shall be used to shift the responsibility for supervision of CONTRACTOR's employees or subcontractors from CONTRACTOR to HACM or to require HACM to take any action with regard to any employee of CONTRACTOR or its subcontractors.

CONTRACTOR shall maintain labor relations in such manner and by such methods as will provide for harmony among workers. CONTRACTOR shall assure that its subcontractors of all tiers comply with the provisions set forth in this Section. Failure of the CONTRACTOR or any of its subcontractors at any tier to comply with these provisions shall be considered as grounds for termination of the Contract.

9. SUBCONTRACT FOR WORK OR SERVICES. No contract shall be made by CONTRACTOR with any other party for furnishing any of the work or services under this Contract without the prior written approval of HACM; but this provision shall not require the approval of contracts of employment between CONTRACTOR and personnel assigned under this Contract, or for Parties agreed to under this Contract.

10. NO EXCLUSIVITY. This is not an exclusive agreement, and CONTRACTOR acknowledges that nothing in this Contract will be deemed to create any exclusivity for the benefit of CONTRACTOR, or otherwise waive, limit, or impair HACM's ability to contract with other third-parties providing the same or similar services as provided by the CONTRACTOR pursuant to this Contract.

11. INDEMNIFICATION.

11.1 Indemnification. CONTRACTOR shall indemnify, defend (using counsel of Indemnitee's choice), and hold harmless HACM, its directors, officers, Board of Directors, elected and appointed officials, employees, agents and representatives and other contractors (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any act, omission, or services of CONTRACTOR, its officers, employees, subcontractors, independent contractors, agents or representatives arising out of or in any way relating to this Contract, including but not limited to property damage, bodily injury, or death (HACM employees included), or any other element of damage of any kind or nature whatsoever, relating to or in any way connected with or arising from the performance of CONTRACTOR, its officers, employees, subcontractors, independent contractors, agents or representatives under this Contract, except to the extent caused by the gross negligence or willful misconduct of an Indemnitee. CONTRACTOR shall defend, at its sole expense, all costs and fees including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or legal action based upon such alleged acts or omissions. The specified insurance

limits required in this Contract shall in no way limit or circumscribe CONTRACTOR's obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

HACM does not, and shall not, waive any rights that it may possess against CONTRACTOR because of acceptance by HACM, or the deposit with HACM, of any insurance policy or certificate required pursuant to this Contract. This hold harmless, indemnification and defense provision shall apply regardless of whether or not any insurance policies determined to be applicable to the claim, demand, damage, liability, loss, cost or expense. The indemnity obligations of CONTRACTOR contained in this Contract shall survive the termination and expiration of this Contract.

11.2 Intellectual Property. In addition to the general indemnification included in section 11.1, CONTRACTOR agrees to the following.

A. Patent, Copyright and Trade Secret Indemnity.

1. CONTRACTOR shall indemnify and hold HACM, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with this Agreement.

2. CONTRACTOR, at its own expense, shall defend any action brought against HACM to the extent that such action is based upon a claim that the equipment, parts, or software supplied by CONTRACTOR or the operation of equipment, or parts pursuant to a current version of CONTRACTOR supplied operating software infringes a patent or copyright or violates a trade secret. CONTRACTOR shall pay those costs and damages finally awarded against HACM in any such action. Such defense and payment shall be conditioned on the following:

a. That CONTRACTOR shall be notified within a reasonable time in writing by HACM of any notice of such claim; and

b. That CONTRACTOR shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when principles of government or public law are involved, HACM shall have the option to participate in such action at its own expense.

3. Should the equipment, parts, or software, or the operation thereof, become, or in CONTRACTOR's opinion are likely to become, the subject of a claim of infringement of a patent or copyright or a trade secret, HACM shall permit CONTRACTOR at its option and expense either to procure for HACM the right to continue using the equipment, parts, or software, or to replace or modify the same so that they become non infringing. If none of these options can reasonably be taken, or if the use of such equipment, parts, or software by HACM shall be prevented by injunction, CONTRACTOR agrees to take back such equipment, parts, or software and make every reasonable effort to assist HACM in procuring substitute equipment, parts, or software. If, in the sole opinion of HACM, the return of such infringing equipment, parts, or software makes the retention of other equipment, parts, or software acquired from CONTRACTOR under the Agreement impractical, HACM shall then have the option of

terminating the Agreement, or applicable portions thereof, without penalty or termination charge. CONTRACTOR agrees to take back such equipment, parts, or software and refund any sums HACM has paid CONTRACTOR less any reasonable amount for use or damage.

4. CONTRACTOR certifies that it has appropriate systems and controls in place to ensure that HACM funds will not be used in the performance of the work for the acquisition, operation or maintenance of computer software in violation of copyright laws.

11.3 CONTRACTOR's Liability For Injury To Persons Or Damage To Property, Goods To Be Installed.

a. CONTRACTOR shall be liable for damages arising out of injury to the person and/or damage to HACM property, HACM employees, persons designated by HACM for training, or any other person(s) other than CONTRACTOR's agents or employees, designated by HACM for any purpose prior to, during, or subsequent to delivery, installation, acceptance, and use of the items installed pursuant to this Contract either at CONTRACTOR's site, HACM's place of business, or the Project site, provided that the injury or damage was caused by CONTRACTOR's fault or negligence.

b. Goods procured and supplied by CONTRACTOR pursuant to this Contract, including without limitation sinks and cabinetry, shall be timely delivered F.O.B. to the place of destination - Days Inn. All risk of loss, and liability with respect to the Goods shall remain with CONTRACTOR until the goods are installed pursuant to this Contract and have been inspected and accepted by HACM.

12. INSURANCE AND BONDS. Without limiting or diminishing the CONTRACTOR's obligation to indemnify or hold HACM and the Indemnitees harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense insurance meeting the requirements of Exhibit C.

12.1 General Insurance Provisions - All lines.

- (a) Any insurance carrier must meet the requirements of "Acceptability of Insurers" in Exhibit C.
- (b) Any deductibles or self-insured retentions must be declared to and approved by HACM. At the option of HACM; the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects HACM, its officers, officials, employees and volunteers; or the Consultant/Contractor/Organizers shall provide a financial guarantee satisfactory to HACM guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- (c) Commercial General Liability insurance must meet the requirements of "Other Insurance Provisions" in Exhibit C.
- (d) CONTRACTOR shall furnish HACM with certificates of insurance as required by Exhibit C, "Verification of Coverage."

- (e) CONTRACTOR shall name, on any policy of insurance required under this Agreement, HACM, the State of California, CCAH, and their respective officers, employees, agents, volunteers and independent contractors as additional insureds. Subcontractors shall name the same as additional insureds. The Additional Insured Endorsement shall, at the least, provide coverage equivalent to, or as broad as Additional Insured Endorsement Form CG 20 10 11 85 as published by the ISO (Insurance Services Office) or similar forms with the express written permission of HACM with coverage not less broad, and must state that coverage is afforded the additional insured with respect to claims arising out of operations performed by or on behalf of the insured including completed operations. If the additional insureds have other insurance which is applicable to the loss, such other insurance shall be on an excess or contingent basis. The insurance provided by CONTRACTOR pursuant to section 12.1(e) must be designated in the policy as primary and non-contributory to any insurance obtained by HACM. The amount of the insurer's liability shall not be reduced by the existence of such other insurance. The General Aggregate Limit shall be provided on a per project basis. CONTRACTOR shall furnish a Blanket Waiver of Subrogation Endorsement related to the General Liability Insurance Policy. All requirements outlined above shall be confirmed via endorsement listing the insureds policy number as shown on the insured's Certificate of Insurance.
- (f) If, during the term of this Contract or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of services; or, the term of this Contract, including any extensions thereof, exceeds two (2) years; HACM reserves the right to adjust the types of insurance and the monetary limits of liability required under this Contract, if in HACM's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.
- (g) CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Contract.
- (h) The insurance requirements contained in this Contract may be met with a program(s) of self-insurance acceptable to HACM.
- (i) CONTRACTOR agrees to notify HACM of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Contract.

12.2 CONTRACTOR shall provide to HACM performance and payment bonds in a penal sum amount equal to 100% of the initial Contract Sum in substantially the form of Exhibits I and J. Upon the request of any person or entity appearing to be a potential beneficiary of the payment bond, CONTRACTOR shall promptly furnish to such person or entity a complete copy of the bond.

13. GENERAL.

13.1 CONTRACTOR shall not provide any services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to HACM pursuant to this Contract, free from all liens, claims or encumbrances.

13.2 CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations, in connection with performance of the services set forth in this Contract. CONTRACTOR will comply with all applicable HACM policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the CONTRACTOR shall comply with the more restrictive law or regulation.

13.3 CONTRACTOR shall be liable for any damage caused by CONTRACTOR to any HACM properties during CONTRACTOR's performance of the services or authorized extra work, and such damage shall be repaired at the CONTRACTOR's sole expense.

13.4 CONTRACTOR represents and warrants that CONTRACTOR is registered to do business in the State of California with the California Secretary of State.

13.5 CONTRACTOR acknowledges that HACM may enter into agreements with other contractor or consultants for services similar to the services that are the subject of this Contract or may have its own employees perform services similar to the services contemplated by this Contract.

13.6 Without limiting CONTRACTOR's hold harmless, indemnification and insurance obligations set forth herein, in the event any claim or action is brought against HACM relating to CONTRACTOR's performance or services rendered under this Contract, CONTRACTOR shall render any reasonable assistance and cooperation which HACM shall require.

14. TERMINATION.

14.1 HACM may terminate this Contract without cause at any time upon written notice served upon the CONTRACTOR stating the extent and effective date of termination.

14.2 HACM may, upon five (5) days written notice, terminate this Contract for CONTRACTOR's default, if CONTRACTOR refuses or fails to comply with the terms of this Contract or fails to make progress so as to endanger performance and does not immediately cure such failure. In the event of such termination, HACM may proceed with the work in any manner deemed proper by HACM.

14.3 After receipt of the notice of termination, CONTRACTOR shall:

- (a) Stop all work under this Contract on the date specified in the notice of termination; and

- (b) Transfer to HACM and deliver in the manner as directed by HACM any data, estimates, graphs, summary reports, or other related materials and or records, as may have been prepared or accumulated by CONTRACTOR in performance of services, whether completed or in progress or which, if the Contract had been completed or continued, would have been required to be furnished to HACM.

14.4 After termination, HACM shall make payment only for CONTRACTOR'S performance, which has been completed and accepted by HACM, up to the date of termination in accordance with this Contract.

14.5 CONTRACTOR's rights under this Contract shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or a willful or material breach of this Contract by CONTRACTOR; or in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the terms of this Contract. In such event, CONTRACTOR shall not be entitled to any further compensation under this Contract.

14.6 If the termination is due to a default by CONTRACTOR, HACM may take over the work and prosecute the same to completion by contract or otherwise. CONTRACTOR shall be liable to HACM for any reasonable additional costs incurred by HACM to revise work for which HACM has compensated CONTRACTOR under this Contract, but which HACM has determined in its sole discretion needs to be revised in part or whole to complete the services required under this Contract. Following discontinuance of services, HACM may arrange for a meeting with CONTRACTOR to determine what steps, if any, CONTRACTOR can take to adequately fulfill its requirements under this Contract. In its sole and absolute discretion, HACM's representative may propose an adjustment to the terms and conditions of the Contract, including the Contract price. Such contract adjustments, if accepted in writing by the Parties, shall become binding on CONTRACTOR and shall be performed as part of this Contract. In the event of termination due to a default by CONTRACTOR this Contract shall terminate immediately upon CONTRACTOR's receipt of the notice of termination. Termination of this Contract for cause may be considered by HACM in determining whether to enter into future contracts with CONTRACTOR.

14.7 The rights and remedies of HACM provided in this Section are in addition to any other rights and remedies provided by law, in equity or under this Contract.

15. FORCE MAJEURE. If either Party is unable to comply with any provision of this Contract due to causes beyond its reasonable control, and which could not have been reasonably anticipated, such as Acts of God, acts of war, civil disorders, or other similar acts, such Party shall not be held liable for such failure to comply, provided the other Party receives written notice of such force majeure event no later than five (5) calendar days after commencement of such force majeure event. The spread or effects of Covid-19, and any variants thereof, can be reasonably anticipated and do not constitute a force majeure event. Tariffs imposed by the US government, and any resulting supply disruptions do not constitute a force majeure event.

16. PREVAILING WAGE; WAGE AND HOUR COMPLIANCE.

16.1 CONTRACTOR agrees to comply with each and every provision of the Section 1770 through Section 1780 of the Labor Code relating to prevailing wages, as well as the Davis-Bacon Act. CONTRACTOR shall be required to forfeit to HACM the amount of Two Hundred Dollars (\$200) for each calendar day, or portion thereof, for each workman paid less than the prevailing wages as determined for the work done herein. The difference between prevailing wage rate and the amounts paid to each workman for each calendar day or portion thereof for which each workman was paid less than the prevailing wage rate shall be paid to each workman by the CONTRACTOR. In the event of a discrepancy between state and federal prevailing wage rates, CONTRACTOR will pay the greater amount.

16.2 CONTRACTOR further agrees to comply with each and every provision of Section 1777.5 of the Labor Code of the State of California relating to apprenticeship standards and the employment of apprentices upon project and to comply with each and every provision of Section 1810 through 1815 of the Labor Code relating to the employment of workmen in excess of eight (8) hours in violation of the Labor Code.

16.3 CONTRACTOR is registered with the Department of Industrial Relations ("DIR") in accordance with California Labor Code section 1725.5 et seq. CONTRACTOR's Registration number with DIR is _____.

16.4 CONTRACTOR shall provide HACM with a list of all subcontractors, if any, who will work on the project for CONTRACTOR to HACM as soon as practicable. All subcontractors shall be duly licensed and certified to perform the work with which they are tasked.

16.5 Contractor and its Subcontractors shall be responsible for compliance with Labor Code Section 1776. This Project is subject to prevailing wage compliance monitoring and enforcement by the Department of Industrial Relations.

16.6 CONTRACTOR and Subcontractors must keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the Work of the Contract Documents. Each payroll record shall contain or be verified by a written declaration as required by Labor Code Section 1776.

16.7 The payroll records enumerated above must be certified and shall be available for inspection at all reasonable hours at the principal office of the CONTRACTOR as required by Labor Code Section 1776.

16.8 CONTRACTOR shall inform HACM of the location of records enumerated above, including the street address, City/Town and county, and shall, within five working days, provide a notice of a change of location and address.

16.9 CONTRACTOR or Subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated above. In the event that the CONTRACTOR or Subcontractor fails to comply with the ten-day period, he or she shall, as a penalty to HACM on whose behalf the contract is made or awarded, forfeit \$100.00 for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the

request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. CONTRACTOR is not subject to a penalty assessment pursuant to this Paragraph due to the failure of a Subcontractor to comply with this Paragraph.

16.10 With each payment application, CONTRACTOR shall also deliver certified payrolls to HACM as set forth above in this Contract, and concurrently therewith (but in no event less frequently than monthly) directly to the Labor Commissioner in the format prescribed by the Labor Commissioner.

16.11 CONTRACTOR shall post all jobsite notices if and when prescribed by regulation.

16.12 CONTRACTOR stipulates that it shall comply with all applicable wage and hour laws, including without limitation, Labor Code Sections 1810-1815. Failure to so comply shall constitute a default under this Contract.

16.12.1 Eight hours of labor performed in execution of the Contract constitutes a legal day's work. The time of service of any worker employed on the Project is limited and restricted to 8 hours during any one calendar day, and 40 hours during any one calendar week.

16.12.2 CONTRACTOR and its Subcontractors shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by him or her in connection with the Project. The record shall be kept open at all reasonable hours to the inspection HACM and to the Division of Labor Standards Enforcement.

16.12.3 CONTRACTOR or its Subcontractors shall, as a penalty to HACM, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the Contract Documents by the respective CONTRACTOR or Subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Labor Code Sections 1810-1815.

16.12.4 Work performed on the Project by employees of CONTRACTOR or its Subcontractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1 1/2 times the basic rate of pay.

17. CONFLICT OF INTEREST. CONTRACTOR covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with CONTRACTOR's performance under this Contract. CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Contract. CONTRACTOR agrees to inform HACM in writing of all CONTRACTOR's interests, if any, which are or may be perceived as incompatible with HACM's interests.

CONTRACTOR shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Contract.

CONTRACTOR or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to HACM employees.

CONTRACTOR hereby certifies it will comply with the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352). It will not and has not used any funds from this Contract to pay any person or organization for influencing or attempting to influence an office or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. CONTRACTOR shall also disclose to HACM any lobbying that takes place in connection with obtaining any Federal Award.

18. ADMINISTRATION. HACM shall administer this Contract through Ricardo Calderon, Project Manager, or such other representative HACM's Executive Director may designate. _____ shall administer this Contract on behalf of CONTRACTOR.

19. ASSIGNMENT. This Contract shall not be delegated or assigned by CONTRACTOR, either in whole or in part, without prior written consent of HACM. Any assignment or purported assignment of this Contract by CONTRACTOR without the prior written consent of HACM will be deemed void and of no force or effect.

20. NONDISCRIMINATION; EQUAL EMPLOYMENT. CONTRACTOR shall not discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, age, religious creed, color, national origin, ancestry, disability (including HIV or AIDS status), medical condition, sexual orientation, marital or domestic partner status, sex or gender identity in the performance of this Contract; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment Practices Act (commencing with Section 1410 of the Labor Code), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

Additionally, in connection with employment, the CONTRACTOR will ensure that all applicants and employees are treated, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations to clients or the general public.

B. The CONTRACTOR will, in all solicitations or advertisements for employees placed by it or on its behalf, state it is an equal opportunity employer.

C. The CONTRACTOR will cause the foregoing provisions contained in this Section 20 to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

D. The CONTRACTOR shall provide all services to the public under this Contract in facilities that are accessible to persons with disabilities as required by state and federal law.

21. ALTERATION. No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the Parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

22. ELIGIBILITY. Services and benefits shall be provided by CONTRACTOR to individuals without reference to their ethnic group identification, race, age, religious creed, color, national origin, ancestry, disability, sexual orientation, marital or domestic partner status, sex or gender identity.

23. LICENSE AND CERTIFICATION. CONTRACTOR verifies upon execution of this Contract, possession of a current and valid license in compliance with any local, State, and Federal laws and regulations relative to the scope of services to be performed under Exhibit A and that services(s) will be performed by properly trained and licensed staff.

24. CONFIDENTIALITY. CONTRACTOR shall observe all Federal, State and HACM's regulations concerning confidentiality of records. The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Contract. The term "privileged or confidential information" includes but is not limited to: unpublished or sensitive technological or scientific information; social security numbers, medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; HACM information or data which is not subject to public disclosure; HACM operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

The CONTRACTOR shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Contract, except for general statistical information not identifying any person. The CONTRACTOR shall not use such information for any purpose other than carrying out the CONTRACTOR's obligations under this Contract. The CONTRACTOR shall promptly transmit to HACM all third party requests for disclosure of such information. The CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Contract or authorized in advance in writing by HACM, any such information to anyone other than HACM. For purposes of this section, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

25. WORK PRODUCT; OWNERSHIP.

25.1 All reports, landscaping plans, plans, preliminary findings, materials, or data assembled or compiled by CONTRACTOR under this Contract (collectively the "Documents") become the property of HACM. HACM reserves the right to authorize others to

use or reproduce the Documents. Therefore, the Documents shall not be circulated in whole or in part, nor released to the public, without the direct written authorization of HACM Executive Director or an authorized designee.

25.2 All Documents not already provided to HACM shall be delivered to HACM on the date of termination of this Agreement for any reason. The Documents may be used by HACM and its agents, employees, representatives, and assigns, in whole or in part, or in modified form, for all purposes HACM may deem appropriate without further employment of or payment of any compensation to CONTRACTOR.

26. GUARANTEE AND WARRANTIES.

25.1 CONTRACTOR does hereby guarantee the services performed pursuant to the scope of services ("Guarantee").

25.2 CONTRACTOR hereby grants to HACM for a period of one year following the date of Final Acceptance of the work completed, or such longer period specified in the Contract Documents, its unconditional warranty of the quality and adequacy of all of the work including, without limitation, all labor, materials and equipment provided by CONTRACTOR and its Subcontractors of all tiers in connection with the work ("Warranty").

25.3 Neither final payment nor use nor occupancy of the work performed by the CONTRACTOR shall constitute an acceptance of work not done in accordance with this Guarantee or relieve CONTRACTOR of liability in respect to any express warranties or responsibilities for faulty materials or workmanship. CONTRACTOR shall remedy any Defects in the work and pay for any damage resulting therefrom, which shall appear within ten years from the date of Final Acceptance of the Work completed.

25.4 If within one year after the date of Final Acceptance (or, with respect to maintenance, performance of the maintenance work), or such other period of time as may be prescribed by laws or regulations, or by the terms of Contract Documents or any extended warranty or guarantee, any work is found to be Defective, CONTRACTOR shall promptly, without cost to HACM and in accordance with HACM's written instructions, correct such defective work. CONTRACTOR shall remove any Defective work rejected by HACM and replace it with work that is not Defective, and satisfactorily correct or remove and replace any damage to other work or the work of others resulting therefrom. If CONTRACTOR fails to comply promptly with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, HACM may have the Defective work corrected or the rejected work removed and replaced. CONTRACTOR shall pay for all claims, costs, losses and damages caused by or resulting from such removal and replacement. Where CONTRACTOR fails to correct Defective work, or Defects are discovered outside the correction period, HACM shall have all rights and remedies granted by law.

25.5 CONTRACTOR shall respond within 72 hours to any claim made by HACM pursuant to this Guarantee and Warranty.

25.6 Observation and inspection of the Work shall not relieve CONTRACTOR of any of its obligations under the Contract Documents. Even though

equipment, materials, or Work required to be provided under the Contract Documents have been inspected, accepted, and estimated for payment, CONTRACTOR shall, at its own expense, replace or repair any such equipment, material, or Work found to be Defective or otherwise not to comply with the requirements of the Contract Documents up to the end of the Guarantee period.

25.7 This Guarantee and Warranty is in addition to any other CONTRACTOR warranties contained in the Contract Documents, and not in lieu of, any and all other CONTRACTOR liability imposed under the Contract Documents or at law. In the event of any conflict or inconsistency between the terms of this Guarantee, Warranty, and any CONTRACTOR warranty or obligation CONTRACTOR under the Contract Documents or at law, such inconsistency or conflict shall be resolved in favor of the greater protection to HACM.

25.8 CONTRACTOR shall provide copies of all manufacturer warranties to HACM's project manager before project closeout. Manufacturer warranties in paper form shall be placed in three-ring binders with dividers and tabs separating each warranty, with the divider and tab identifying which product the warranty corresponds to. Manufacturer warranties in electronic format shall be assembled in a PDF format with bookmarks identifying each warranty, and with a table of contents at the beginning of the PDF identifying each warranty.

25.9 "Defective" means work that is unsatisfactory or unsuited for the use intended, faulty, or deficient, that does not conform to the Contract, or does not meet the requirements of any inspection, reference standard, test or approval referred to in the Contract, or has been damaged before final payment (unless responsibility for the protection thereof has been assumed in writing by HACM). Unapproved substitutions are Defective. HACM is the judge of whether work is Defective. A "Defect" is a condition, component, or part that is unsatisfactory or unsuited for the use intended, faulty, or deficient, that does not conform to the Contract, or does not meet the requirements of any inspection, reference standard, test or approval referred to in the Contract, or has been damaged before final payment (unless responsibility for the protection thereof has been assumed in writing by HACM).

27. RECORDS AND DOCUMENTS. The CONTRACTOR, and any sub-consultants or sub-contractors, shall allow all duly authorized Federal, State, and/or HACM officials or authorized representatives, including all granting entities, access to the work area, as well as all books, documents, materials, papers, and records of the CONTRACTOR, and any sub-consultants or sub-contractors, that are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts, and transcriptions. The CONTRACTOR, and any sub-consultants or sub-contractors, further agree to maintain and keep such books, documents, materials, papers, and records, on a current basis, recording all transactions pertaining to this Contract in a form in accordance with generally acceptable accounting principles. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least five (5) years after the expiration of the term of this Contract. CONTRACTOR will allow interviews of any employees who might reasonably have information related to such records.

28. NONCONFORMING PAYMENTS. In the event CONTRACTOR receives payment under this Contract which is later disallowed by HACM for nonconformance with the terms of the Contract, CONTRACTOR shall promptly refund the disallowed amount to HACM on request; or at its option HACM may offset the amount disallowed from any payment due to CONTRACTOR.

29. NO PARTIAL DELIVERY OF SERVICES. CONTRACTOR shall not provide partial delivery or shipment of services or products unless specifically stated in the Contract.

30. LABOR STANDARDS. CONTRACTOR shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of California (Cal/OSHA).

CONTRACTOR hereby certifies that it will comply with all applicable labor laws, including but not limited to, the Walsh-Healy Act and the Contract Work Hours and Safety Standards Act (41 U.S.C. 51-58) regarding overtime compensation.

31. DISPUTES AND CLAIMS

31.1 General.

- (a) The parties shall deal in good faith and attempt to resolve potential disputes between the parties arising under, related to or involving the Contract, RFP, or Proposal (collectively “**Procurement Documents**”), informally. If the dispute persists, CONTRACTOR shall submit to the HACM written demand for a final decision regarding the disposition thereof, unless HACM, on its own initiative, has already rendered such a final decision. CONTRACTOR’s written demand shall be fully supported by factual information, and if such demand involves a cost adjustment, CONTRACTOR shall include with the demand a written statement signed by an authorized person indicating that the demand is made in good faith, that the supporting data is accurate and complete and that the amount requested accurately reflects an adjustment for which CONTRACTOR believes HACM is liable. If CONTRACTOR disagrees with HACM’s decision, CONTRACTOR’s sole and exclusive remedy is to file a claim in accordance with this Section 31. CONTRACTOR shall diligently prosecute the work under the Contract pending resolution of any claim.
- (b) The claim notice and documentation procedure described in this Section 31 applies to all claims and disputes arising under this Contract, including without limitation any claim or dispute by any subcontractor or material CONTRACTOR.
- (c) “**Claim**” means a written demand or written assertion by CONTRACTOR seeking, as a matter of right, the payment of money, the adjustment or interpretation of contract terms, or other relief arising under or relating to this Contract or the work to be performed hereunder. In order to qualify as a “claim,” the written demand must state that it is a claim submitted under

this Section 31. A voucher, invoice, proposed change, Application for Payment, cost proposal, change order request, or other routine or authorized form of request for payment is not a claim

- (d) The provisions of this Section 31 constitute a non-judicial claim settlement procedure, and also step one of a two-step claim presentment procedure by Procurement Agreement under Section 930.2 of the California Government Code. Specifically, step one is compliance with this contract claims procedure and filing/administering timely contract claims in accordance with the Procurement Documents first. Step two is filing a timely Government Code Section 910 claim in accordance with the California Government Code.
- (e) The provisions of this Section 31 shall survive termination, breach or completion of the work contemplated in this Contract. CONTRACTOR shall bear all costs incurred in the preparation and submission of a claim. Pursuant to Government Code Section 930.2, the one-year period in Government Code section 911.2 to file a Government Code Section 910 claim shall be reduced to 150 days. Any Government Code Section 910 claims shall be presented in accordance with the Government Code and shall affirmatively indicate CONTRACTOR's prior compliance with the claims procedure herein.
- (f) Pending the final resolution of any dispute arising under, related to or involving the Contract, CONTRACTOR shall diligently proceed with the performance of the Procurement Documents, including providing of Services. CONTRACTOR's failure to diligently proceed in accordance with the Scope of Services shall be considered a material breach of the Contract.

31.2 Procedure.

- (a) Upon receipt of CONTRACTOR's formal claim including all arguments, justifications, cost or estimates, schedule analysis, and documentation supporting its position as required herein, HACM or its designee will review the issue and render a final determination. HACM may in its discretion conduct an administrative hearing on CONTRACTOR's claim, in which case CONTRACTOR shall appear, participate, answer questions and inquiries, and present any further evidence or analysis requested by HACM to evaluate and decide CONTRACTOR's claim.
- (b) EXCEPT WHERE PROVIDED BY LAW, OR ELSEWHERE IN THIS CONTRACT (IF APPLICABLE), HACM SHALL NOT BE LIABLE FOR SPECIAL OR CONSEQUENTIAL DAMAGES, AND CONTRACTOR SHALL NOT INCLUDE THEM IN ITS CLAIMS.

31.3 Claim Format. CONTRACTOR shall submit the claim justification in the following format:

- (a) Cover letter and certification under penalty of perjury of the accuracy of the claim;
- (b) Summary of claim, including underlying facts, entitlement, schedule analysis, quantum calculations, contract provisions supporting relief;
- (c) List of documents relating to claim including clarifications/requests for information, schedules, notices of delay, and any others;
- (d) Chronology of events and correspondence;
- (e) Analysis of claim merit;
- (f) Analysis of claim cost; and
- (g) Attach supporting documents referenced in Paragraph 31.3 (c).

31.4 Mediation. All CONTRACTOR claims in excess of \$50,000 shall, as a condition precedent to litigation (or if otherwise permitted by the Procurement Documents, arbitration) thereon, first be mediated. Mediation shall be non-binding and utilize the services of a mediator mutually acceptable to the parties and, if the parties cannot agree, a mediator selected by the American Arbitration Association from its panel of approved commercial mediators. All statutes of limitation shall be tolled from the date of the demand for mediation until a date two weeks following the mediation's conclusion. All unresolved CONTRACTOR claims shall be submitted to the same mediator. The cost of mediation shall be equally shared.

31.5 Exclusive Remedy. CONTRACTOR's performance of its duties and obligations specified in this Section 31 and administration of a claim as provided in this Section 31 is CONTRACTOR's sole and exclusive remedy for disputes of all types pertaining to the payment of money, extension of time, the adjustment or interpretation of Procurement Documents terms or other contractual or tort relief arising from Procurement Documents. This exclusive remedy and the limitation of liability (expressed herein and elsewhere throughout Procurement Documents) apply notwithstanding the completion, termination, suspension, cancellation, breach or rescission of the Procurement or Procurement Documents, negligence or strict liability by HACM, its representatives, consultants or agents, or the transfer of Goods or Services to HACM for any reason whatsoever. CONTRACTOR waives and covenants not to use any claims of waiver, estoppel, release, bar, or any other type of excuse for non-compliance with the claim submission, administration, and mediation requirements. Compliance with the claim submission, administration, and mediation procedures described in this Section 31 is a condition precedent to the right to commence litigation or commence any other legal action. Claim(s) or issue(s) not raised in a timely protest and timely claim submitted under this Section 31 may not be asserted in any subsequent Government Code section 910 claim, litigation or legal action. HACM shall not be deemed to waive any provision under this Section 31, if at HACM's sole discretion, a claim is administered in a manner not in accord with this Section 31. CONTRACTOR's timely and full compliance with its obligations in this Section 31 shall constitute a condition precedent to

CONTRACTOR's compliance with the claims presentation requirements under the California Government Code, which shall remain upon completion or termination of the Procurement Documents.

32. GRANT COMPLIANCE.

32.1 Funding for the Project comes in part from an Encampment Resolution Funding Round 3 ("ERF3") grant Owner received from HCD, other grants received from HCD, including a PLHA grant, and CCAH grant funding. CONTRACTOR understands and agrees that this requires, without limitation, that CONTRACTOR:

32.1.1 Retain all records pertaining to performance under this Agreement for 5 years after termination of this Agreement or completion of the Work. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration date, all records must be retained until completion of the action and resolution of all issues, which arise from it. Owner, as well as the State of California and CCAH, shall have the right to audit records pertaining to performance under this Contract.

32.1.2 Agrees this Agreement is a public record under the California Public Records Act.

32.1.3 HCD has a right to inspect the work and Project.

32.2 Further, CONTRACTOR hereby certifies, under penalty of perjury, that:

32.2.1 CONTRACTOR's owners, members, officers, and employees, and those of its subcontractors, if any, are not state employees, and that this Agreement does not create a conflict of interest prohibited by the Grant Agreements, or otherwise prohibited by law.

32.2.2 That it and its subcontractors, if any, will comply with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code section 8350 et. seq.) and have or will provide a drug-free workplace by taking the following actions:

- (a) Publish a statement notifying employees and subrecipients that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, subcontractors for violations, as required by Government Code Section 8355, subdivision (a)(1).
- (b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355, subdivision (a)(2) to inform employees, or subcontractors about all of the following:
 - (i) the dangers of drug abuse in the workplace.

(ii) CONTRACTOR's policy of maintaining a drug-free workplace.

(iii) Any available counseling, rehabilitation, and employee assistance program.

(iv) Penalties that may be imposed upon employees, Grantees, and subrecipients for drug abuse violations.

(c) Provide, as required by Government Code Section 8355, subdivision (a)(3), that every employee and/or subrecipient that works under this Agreement: 1) Will receive a copy of Grantee's drug-free policy statement, and 2) Will agree to abide by terms of Grantee's condition of employment or subcontract.

32.3 CONTRACTOR agrees to cooperate in other respects with requests by HACM to ensure HACM is in compliance with its grant agreements. Minor items will be raised informally or through an Instruction Bulletin. If HACM requests a change that will materially alter CONTRACTOR's obligations under this Contract, HACM will issue a Change Directive pursuant to Exhibit H.

33. EARTHWORK AND UNDERGROUND FACILITIES.

33.1 At all times during construction, all operating Underground Facilities shall remain in operation, unless the Contract Documents expressly indicate otherwise. CONTRACTOR shall maintain such Underground Facilities in service where appropriate; shall repair any damage to them caused by the Work; and shall incorporate them into the Work, including reasonable adjustments to the design location (including minor relocations) of the existing or new installations. CONTRACTOR shall take immediate action to restore any in service installations damaged by CONTRACTOR's operations.

33.2 Prior to performing Work at the Site, CONTRACTOR shall lay out the locations of Underground Facilities that are to remain in service and other significant known underground installations indicated by the Existing Conditions Data, Contract Documents, USA records, or any material otherwise reasonably available to CONTRACTOR or discovered during CONTRACTOR's pre- or post-proposal investigations. CONTRACTOR shall further locate, by carefully excavating with small equipment, potholing and principally by hand, all such utilities or installations that are to remain and that are subject to damage. If additional utilities whose locations are unknown are discovered, CONTRACTOR shall immediately report to HACM for disposition of the same. Additional compensation or extension of time on account of utilities not shown or otherwise brought to CONTRACTOR's attention, including reasonable action taken to protect or repair damage, shall be determined as provided in this Contract.

33.3 If during construction, an Underground Facility is uncovered or revealed at or contiguous to the Site which was not shown, indicated, or discovered in the materials and investigations described in Paragraph 33.2, above, then CONTRACTOR shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby (and in no event

later than seven Days), and prior to performing any Work in connection therewith (except in an emergency), identify the owner of such Underground Facility and give written notice to that owner and to HACM. During such time, CONTRACTOR shall be responsible for the safety and protection of such Underground Facility.

33.4 The cost of all of the following will be included in the Contract Sum and CONTRACTOR shall have full responsibility for (a) reviewing and checking all available information and data including, without limitation, Existing Conditions Data, and information on file at USA; (b) locating all Underground Facilities shown or indicated in the Contract Documents or reasonably available information, or indicated by visual observation including, without limitation, and by way of example only, through performance of all investigations required by this Contract, and by engaging qualified locating services and all necessary backhoeing and potholing; (c) coordination of the Work with the owners of such Underground Facilities during construction; and (d) the safety and protection of all such Underground Facilities and repairing any damage thereto resulting from the Work.

33.5 Consistent with Government Code Section 4215, as between HACM and CONTRACTOR, HACM will be responsible for the timely removal, relocation, or protection of existing main or trunk line utility facilities located on the Site only if such utilities are not identified in the Contract Documents or information made available for proposals. HACM will compensate for the cost of locating and repairing damage not due to CONTRACTOR's failure to exercise reasonable care, removing and relocating such main or trunk line utility facilities not indicated in the Contract Documents or information made available for proposals with reasonable accuracy, and equipment on the Project necessarily idled during such Work. CONTRACTOR shall not be assessed liquidated damages for delay in completion of the Project, when such delay was caused by the failure of HACM or the utility to provide for removal or relocation of such utility facilities.

33.6 During construction, CONTRACTOR shall comply with Government Code Sections 4216 to 4216.9, and in particular Section 4216.2 which provides, in part: "Except in an emergency, an excavator planning to conduct an excavation shall notify the appropriate regional notification center of the excavator's intent to excavate at least two working days, and not more than 14 calendar days, before beginning that excavation. The date of the notification shall not count as part of the two-working-day notice. If an excavator gives less notice than the legal excavation start date and time and the excavation is not an emergency, the regional notification center will take the information and provide a ticket, but an operator has until the legal excavation start date and time to respond. However, an excavator and an operator may mutually agree to a different notice and start date. The contact information for operators notified shall be available to the excavator."

33.7 CONTRACTOR shall contact USA, and schedule the Work to allow ample time for the center to notify its members and, if necessary, for any member to field locate and mark its facilities. CONTRACTOR is charged with knowledge of all subsurface conditions reflected in USA records. Prior to commencing excavation or trenching work, CONTRACTOR shall provide HACM with copies of all USA records secured by CONTRACTOR. CONTRACTOR shall advise HACM of any conflict between information provided in Document 00 3132 (Geotechnical Data and Existing Conditions), the Drawings and that provided by USA records. CONTRACTOR's excavation shall be subject to and comply with the Contract Documents.

33.8 CONTRACTOR shall also investigate the existence of existing service laterals, appurtenances or other types of utilities, indicated by the presence of an underground transmission main or other visible facilities, such as buildings, manholes, new asphalt, meters and junction boxes, on or adjacent to the Site, even if not shown or indicated in Existing Conditions Data, Contract Documents, or USA records, or discovered during CONTRACTOR's pre- or post-proposal investigation. CONTRACTOR shall immediately secure all such available information and notify HACM and the utility owner, in writing, of its discovery.

33.9 If the Work involves digging trenches or other excavations that extend deeper than four feet below the surface, CONTRACTOR shall notify HACM in writing of any material that CONTRACTOR believes may be hazardous waste that is required to be removed in accordance law, subsurface or latent physical conditions at the site differing from those indicated by information about the site made available to proposers prior to the deadline for submitting proposals, or unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents, pursuant to Section 7104 of the Public Contract Code. For any Work involving trench shoring that costs in excess of \$25,000, CONTRACTOR shall submit and HACM (or a registered civil or structural engineer employed by HACM) must accept, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches, pursuant to Labor Code Section 6705. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer. Consistent with Government Code Section 4215, as between HACM and CONTRACTOR, HACM will be responsible for the timely removal, relocation, or protection of existing main or trunk line utility facilities located on the Site only if such utilities are not identified in the Contract Documents or information made available for proposals.

34. HACM'S RIGHT OF SEPARATE CONSTRUCTION

34.1 HACM may perform with its own forces, construction or operations related to the Project, or the Site during CONTRACTOR's operations. HACM may also award separate contracts in connection with other portions of the Project or other construction or operations, on the Site or areas contiguous to the Site, under conditions similar to these Contract Documents, or may have utility owners perform other work.

34.2 CONTRACTOR shall adjust its schedule and fully coordinate with and shall afford all other contractors, utility districts and HACM (if HACM is performing work with its own forces), proper and safe access to the Site, and reasonable opportunity for the installation and storage of their materials. CONTRACTOR shall ensure that the execution of its Work properly connects and coordinates with others' work, do all cutting, fitting and patching of the Work that may be required to make its several parts come together properly and integrate with such other work, and shall cooperate with them to facilitate the progress of the Work.

34.3 To the extent that any part of CONTRACTOR's Work is to interface with work performed or installed by other contractors or utility owners, CONTRACTOR shall inspect and measure the in-place work. CONTRACTOR shall promptly report to HACM in writing any

defect in in-place work that will impede or increase the cost of CONTRACTOR's interface unless corrected.

35. JURISDICTION AND VENUE. This Contract shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Contract shall be filed only in the Superior Court of the State of California, County of Monterey and the Parties waive any provision of law providing for a change of venue to another location.

36. WAIVER. Any waiver by HACM of any breach of any one or more of the terms of this Contract shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term thereof. Failure on the part of HACM to require exact, full and complete compliance with any terms of this Contract shall not be construed as in any manner changing the terms hereof, or estopping HACM from enforcement hereof.

37. SURVIVABILITY OF TERMS. Provisions of this Contract that are not fully performed or are not capable of being fully performed as of the date of termination will survive termination of this Contract.

38. NOTICES. Any notice or other communication required or permitted under this Contract shall be sufficiently given if delivered in person or sent by one of the following methods, (1) registered U.S. mail, return receipt requested (postage prepaid); (2) certified U.S. mail, return receipt requested (postage prepaid); or (3) commercially recognized overnight service with tracking capabilities. Notices or communications shall be deemed properly delivered to the respective Parties at the addresses set forth below, or such other addresses provided by the Parties in writing, and are deemed submitted as of the date personally delivered or two days after their deposit in the United States mail postage prepaid, or via overnight service:

HACM	CONTRACTOR
Housing Authority, County of Monterey	
123 Rico St	
Salinas, CA 93907	
Attention: Ricardo Calderon, Project Manager	

39. MISCELLANEOUS. As used in this Contract, the term CONTRACTOR also includes CONTRACTOR's owners, officers, employees, representatives and agents.

40. SEVERABILITY. If any provision in this Contract 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.

41. POWER TO BIND. The undersigned signatory for CONTRACTOR represents and warrants that he or she has full power to enter into this Contract and to bind CONTRACTOR in accordance with the terms of this Contract.

42. NO THIRD PARTY BENEFICIARIES. The Parties to this Contract acknowledge and agree that the provisions of this Contract are for the sole benefit of the CONTRACTOR and HACM, and not for the benefit, directly or indirectly, of any other person or entity, except as otherwise expressly provided herein.

43. ENTIRE CONTRACT. This Contract, including any attachments or exhibits, constitutes the entire Contract of the Parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. In the event of any conflict between this Contract and any other written agreement or acknowledgement, the terms of this Contract shall prevail. This Contract may be changed or modified only by a written amendment signed by authorized representatives of both Parties.

44. NON-LIABILITY OF HACM OFFICIALS, EMPLOYEES AND AGENTS. No member, official, employee or agent of HACM shall be personally liable to CONTRACTOR in the event of any default or breach by HACM or for any amount which may become due to CONTRACTOR or its successor or on any obligation under the terms of this Contract.

45. PRECEDENCE.

In the case of discrepancy or inconsistency in the Contract Documents, the following order of precedence shall prevail:

- (a) Modifications in inverse chronological order (i.e., most recent first), and in the same order as specific portions they are modifying;
- (b) Numbered sections and paragraphs of Contract over Exhibits;
- (c) Written words over figures, unless obviously incorrect;
- (d) Figured dimensions over scaled dimensions;
- (e) Large-scale Drawings over small-scale Drawings.

46. EXHIBITS. The following exhibits are attached hereto and incorporated herein by this reference:

- (a) Exhibit A - Scope of Services;
 - (i) Exhibit A-1 – Plans for King City Home Key
 - (ii) Exhibit A-2 – Scope of Work
- (b) Exhibit B – Contract Time and Payment Schedule

- (c) Exhibit C – Insurance Requirements
- (d) Exhibit D – General Conditions (HUD-5370-C1 General Conditions).
- (e) Exhibit E – Section 3 Policy
- (f) Exhibit F – Prevailing Wage Determination
- (g) Exhibit G – Measurement and Payment
 - (i) Exhibit G-1 – Agreement And Release Of Any And All Claims
- (h) Exhibit H – Modifications
- (i) Exhibit I - Form of Performance Bond
- (j) Exhibit J - Form of Payment Bond

47. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and transmitted electronically and, in such event, the transmission by electronic means shall have the same force and effect as the hand delivery of an original of this Agreement to the recipient duly executed in ink.

(Remainder of Page Intentionally Blank)

(Signatures on next page)

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Contract as of the date set forth above.

“HACM”

**HOUSING AUTHORITY COUNTY OF
THE COUNTY OF MONTEREY**, a public
agency

By: _____

Zulieka Boykin, Executive Director

Date: _____

“CONTRACTOR”

**PRECISION CONSTRUCTION &
PROPERTY DAMAGE MITIGATION
INC**, a California Corporation

By: _____

Name: _____

Its: _____

Date: _____

**NOTE: CONTRACTOR’S SIGNATURES
SHALL BE DULY NOTARIZED, AND
APPROPRIATE ATTESTATIONS
SHALL BE INCLUDED AS MAY BE
REQUIRED BY THE BYLAWS,
ARTICLES OF INCORPORATION, OR
OTHER RULES OR REGULATIONS
APPLICABLE TO CONTRACTOR’S
BUSINESS ENTITY.**

EXHIBIT A

SCOPE OF SERVICES

1. This is a term contract with CONTRACTOR for labor, materials and equipment necessary to provide Special Services for KING CITY HOME KEY.
2. The King City Home Key project involves the renovation of a former Days Inn located on a 1-acre parcel in King City. Originally constructed in 1969, this two-story facility is slated for conversion into 45 studio units aimed at providing stable, affordable housing for individuals currently experiencing homelessness along the Salinas River encampments.
3. CONTRACTOR is responsible for:
 - a. Providing a comprehensive landscaping solution consistent with the scope of work attached hereto as Exhibit A-2. (“Landscaping Services”)
 - b. Providing specified construction services consistent with the scope of work attached hereto as Exhibit A-3. (“Specified Construction Services.”)
 - c. Providing procurement and installation services for countertops and cabinetry consistent with the scope of work attached hereto as Exhibit A-4. (“Countertop and Cabinetry Services.”)
4. Compliance and Communication. For all work on this Project, CONTRACTOR shall:
 - a. Ensure all work is executed in strict accordance with relevant building codes and architectural designs.
 - b. Maintain robust communication between all trades and the project manager to guarantee project success.
 - c. All work is to be performed consistent with the Plans for King City Home Key, which are attached hereto as Exhibit A-1.
 - d. CONTRACTOR shall perform the work consistent with all plans CONTRACTOR submitted in its RFP responses unless directed otherwise by HACM in writing, or through the Modifications process.
5. Prior to receipt of any Notice to Proceed, CONTRACTOR shall consult with HACM as needed to facilitate development of plans, schedules, and coordination of other contractors.
6. HACM will issue separate Notices to Proceed for the Landscaping Services, Specified Construction Services, and Countertop and Cabinetry Services. However, CONTRACTOR will not wait to receive a Notice to Proceed before commencing or assisting with any preparatory work or investigation necessary to facilitate timely project completion and performing CONTRACTOR’s consultation services.
7. Upon receipt of Notice to Proceed for any particular service, CONTRACTOR will proceed with performing the work specified. HACM’s Notice to Proceed may specify certain subcomponents of a particular type of service to proceed with. In such case, a supplemental Notice to Proceed will be issued for other subcomponents.
8. Throughout its work on the Project, including during preconstruction, as applicable, CONTRACTOR shall:
 - a. Attend regular meetings with the Ricardo Calderon and HACM;
 - b. Participate in the development/modification of the plans and specifications for the project, including evaluations of constructability, cost and design conflicts;
 - c. Conduct pricing of the project improvements at key milestones (Schematic

Design completion, Design Development Completion, and 50% Construction Documents) in the development of the plans and specifications;

- d. Engage in value engineering activities to assist HACM in ensuring that the final plans and specifications describe a project that can be completed within HACM's budget;
- e. Obtain a comprehensive bid for the final plans and specification;
- f. Assist HACM with obtaining all necessary permits;
- g. Bid to suppliers and subcontractors;
- h. Coordinate all trades required for proper execution;
- i. Facilitate/coordinate preparatory meeting with key subcontractors;
- j. Coordinate with HACM on resident relocations;
- k. Coordinate plans and sensitivity studies of the surrounding neighborhoods, if needed;
- l. Provide meeting management and detailed reporting;
- m. Exercise document control;
- n. Enforce all COVID, OSHA and client-specified safety rules and regulations;
- o. Mitigate delays and additional costs;
- p. Assure the quality of the product;
- q. Facilitate the closeout/warranty period of the project;
- r. Address warranty issues in a timely, organized manner;
- s. Assist with obtaining final building permit sign-offs; and
- t. Comply with HUD Section 3 requirements, California Prevailing Wage law and Davis-Bacon, including submission of timely reports and certified payrolls.

**Exhibit A-1
PLANS FOR KING CITY HOME KEY**

**[INCLUDE ADAPTIVE ENGINEERING & CONSULTING PLAN ATTACHED TO
CONTRACTOR'S LANDSCAPING PROPOSAL; INCLUDE BARDOVI ARCHITECTS
DRAWINGS ATTACHED TO PROPOSAL; INCLUDE ELEVATIONS/
JUSTIFICATIONS FOR CABINETS FROM PROPOSAL]**

DRAFT

EXHIBIT A-2 LANDSCAPING SCOPE OF WORK

1. Project Management
 - a. Be responsible for planning, material ordering, and commercial supervision.
2. Transform the Project site with a modern landscaping design that emphasizes sustainability using low-water consumption plants and rock landscapes.
3. Implement a design that features a combination of heat tolerant plants and rock landscaping to local regulations and codes. Identify areas suitable for the installation of imitation grass, ensuring proper installation to enhance aesthetics without compromising water conservation.
4. Select and install head-tolerant plant species that are suitable for the local climate, with a preference for native or drought-resistant varieties.
5. Trim existing plants as necessary and remove any that do not comply with the new landscaping design.
6. Design and construct a designated dog walk area, ensuring safety and accessibility for pets and owners. Include seating areas for pedestrians and visitors to promote community engagement.
7. Timely and safely remove all debris resulting from the landscaping work. Ensure all debris is disposed of consistent with local regulations and applicable law.
8. Ensure that all landscaping work adheres to local ordinances regarding water usage and plant selections, focusing on sustainable practices.
9. Provide recommendations for ongoing maintenance of the rock landscape and heat-tolerant plants to ensure longevity and health.
10. Complete the foregoing Work consistent with the following phased approach:
 - a. Phase 1 – Develop Landscape Plans (Landscape Design, Plans, and Renderings for Landscape / Rock Area).
 - b. Upon receipt of Notice to Proceed:
 1. Phase 2 - Demolition. Remove existing AC at Front East Side of Property for New Walk Area (Approximately 3,841 sq. ft.)
 2. Phase 3 – Grading. Grade Approximately 3,841 sq. ft at New Walk Area for decomposed granite (DG) placement.
 3. Phase 4 – Import Decorative Rock. Please weed barrier, import and place approximately 82 cubic yards (CY) of standard grade rock at 4,454 square feet of planter area per landscape plans.
 4. Phase 5 – Import DG. Place weed barrier, install bender board, import DG at walkway per plans.
 5. Phase 6 – Weep Holes. Core 7-8 Weep Holes at New Dog Run.

EXHIBIT A-2
SPECIFIED CONSTRUCTION SCOPE OF WORK

1. Project Management
 - a. Be responsible for planning, material ordering, and commercial supervision.
2. Grading
 - a. The property will require cavitation and grading to replace the blacktop throughout. The blacktop will need to be striped to delineate 88 parking spaces for tenants and visitors.
3. Wall and Demolition Work
 - a. Solidify the installation of new walls and partitions.
 - b. Execute the removal of existing structures as necessary.
 - c. Work with HACM's abatement team concerning proper demolition areas and logistics.
4. Sheetrock installations
 - a. Install sheetrock
 - b. Ensure all sheetrock installations meet 5/8 inch specifications

EXHIBIT A-3
COUNTERTOP AND CABINETRY SERVICES

1. Project Management
 - a. Be responsible for planning, material ordering, and commercial supervision.
2. Unit Renovations
 - a. Install kitchen cabinets, sinks, and faucets in each unit without exception.
 - b. Lay new flooring throughout the building to ensure a modern and cohesive appearance.
3. Logistics
 - a. Provide Elevations and Renderings
4. Cabinetry
 - a. Provide and Install Cabinets at 7'LF Per Plans at 44 Standard Units
 1. Provide and install countertops w/ fabrication for sink and cooktops.
 2. Provide and install sink. Does not include plumbing hook up.
 - b. Provide and Install Cabinets at 12'LF Per Plans at 2 Large Units
 1. Provide and install countertops w/ fabrication for sink and cooktops.
 2. Provide and install sink. Does not include plumbing hook up.
 - c. Provide and Install Cabinets at 24 LF Per Plans at the Lobby/Front Living Unit
 1. Provide and install countertops w/ fabrication for sink (no cooktop)
 2. Provide and install sink. Does not include plumbing hook up.
5. Countertops
 - a. Provide Subdeck for Countertop Installation
 - b. Provide, Fabricate, & Install Solid Surface Quartz Countertops with 4" Integral Splash
 - c. Fabrication includes cutting to size, sink opening, and cook top opening
 - d. Provide and install over counter mounted sink – 30"
 1. Does not include plumbing hook up.
6. Bathroom Vanities at 47 Units
 - a. Provide and install large 60" Vanity per plans at all units.
 - b. Vanity includes cabinets, countertop, sink, material & install. Does not include plumbing hook up.
7. Delivery and placement to each unit.
 - a. Delivery surcharge is already included in Contract Sum.
8. Clean Site and Areas as Needed
 - a. Clean all areas and debris in areas where CONTRACTOR has worked.

EXHIBIT B

CONTRACT TIME

9. CONTRACT TIME – LANDSCAPING SERVICES

a. CONTRACT TIME for Landscaping Services is **42 days**, which shall commence upon CONTRACTOR's receipt of pertinent Notice to Proceed. CONTRACTOR shall complete the work required within the CONTRACT TIME.

10. CONTRACT TIME – SPECIFIED CONSTRUCTION SERVICES

a. CONTRACT TIME for Specified Construction Services is **126 days**, which shall commence upon CONTRACTOR's receipt of pertinent Notice to Proceed. CONTRACTOR shall complete the work required within the CONTRACT TIME.

11. CONTRACT TIME – COUNTERTOP AND CABINETRY SERVICES

a. CONTRACT TIME for Specified Construction Services is **42 days**, which shall commence upon CONTRACTOR's receipt of pertinent Notice to Proceed. CONTRACTOR shall complete the work required within the CONTRACT TIME.

12. WEATHER

a. CONTRACT TIME will only be extended for unusually severe weather if it results in precipitation or other conditions which in the amount, frequency, or duration is in excess of the norm at the location and time of year in question as established by NOAA weather data. CONTRACTOR has anticipated all the days it takes to dry out and re-prepare areas that may be affected by weather delays which extend beyond the actual weather days. CONTRACTOR is expected to work seven (7) days per week (if necessary, irrespective of inclement weather), to maintain access, and to protect the Work under construction from the effects of inclement weather.

EXHIBIT C
INSURANCE REQUIREMENTS

CONTRACTOR shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, its agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be as least as broad as:

1. Insurance Services Office **Commercial General Liability coverage** (occurrence Form CG 0001).
2. Insurance Services Office Form Number CA 0001 covering **Automobile Liability**, Code 1 (any auto).
3. **Workers' Compensation insurance** as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

CONTRACTOR shall maintain limits no less than:

1. General Liability: **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limits shall apply separately to their project/location or the general aggregate limit shall be twice the required occurrence limit.

(Including operations, products and completed operations, as applicable.)

2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Workers' Compensation: **\$1,000,000** per accident for bodily injury and Employer's Liability: property damage.

Deductible and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by HACM. At the option of HACM; the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects HACM, its officers, officials, employees and volunteers; or the CONTRACTOR shall provide a financial guarantee satisfactory to HACM guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The commercial general liability is to contain, or be endorsed to contain, the following provisions. HACM, its commissioners, members, officers, agents, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the CONTRACTOR; or automobiles owned, leased, hired or borrowed by the CONTRACTOR.

1. For any claims related to this project, the CONTRACTOR's insurance coverage shall be primary insurance as respects HACM, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by HACM, its commissioners, members, officers, agents, employees or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
2. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after (30) days' prior written notice by certified mail, returned receipt requested, has been given to the Authority.
3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to HACM, its commissioners, members, officers, agents, employees and volunteers.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VI, unless otherwise acceptable to HACM.

Verification of Coverage

CONTRACTOR shall furnish HACM with certificates of insurance and with original endorsements evidencing coverage required by this clause. All certificates and endorsements are to be received and approved by HACM before work commences. HACM reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

** HACM shall be named as an additionally insured on all policies, certificate of insurance and endorsements.*

EXHIBIT D

(General Conditions (HUD-5370-C1 General Conditions))

EXHIBIT E

SECTION 3 POLICY

Under the Davis-Bacon and Related Acts and Reorganization Plan No. 14 of 1950, the U.S. Department of Labor is responsible for determining prevailing wages, issuing regulations and standards to be observed by federal agencies that award or fund projects subject to Davis-Bacon labor standards, and overseeing consistent enforcement of the Davis-Bacon labor standards.

The Davis-Bacon and Related Acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Davis-Bacon Act and Related Act contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.

The Davis-Bacon Act directs the Department of Labor to determine such locally prevailing wage rates. The Davis-Bacon Act applies to contractors and subcontractors performing work on federal or District of Columbia contracts. The Davis-Bacon Act prevailing wage provisions apply to the “Related Acts,” under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

For prime contracts in excess of \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular rate of pay for all hours worked over 40 in a workweek. The overtime provisions of the Fair Labor Standards Act may also apply to DBA-covered contracts.

EXHIBIT F
PREVAILING WAGE DETERMINATION

EXHIBIT G

MEASUREMENT AND PAYMENT

PART 1 GENERAL

1.01 Summary

- A. Section includes description of requirements and procedures for determining amount of Work performed and for obtaining payment for Work performed.

1.02 References

- A. California Public Contract Code
- B. Code of Civil Procedure
- C. Government Code
- D. Civil Code

1.03 Composition and Scope Of Contract Sum

A. Scope of Contract Sum

1. Contract Sum for performance of the Work under Contract Documents, or under any Proposal item, allowance, or Alternate, shall include full compensation for all Work required under the Contract Documents, including without limitation, all labor, materials, taxes, transport, handling, storage, supervision, administration, and all other items necessary for the satisfactory completion of the Work, whether or not expressly specified or indicated, incidental work and unexpected expenses, and all terms, conditions, requirements and limitations set forth in the Contract Documents.
2. Contract Sum may be expressed as lump sum, unit price, GMP, allowance, or combination thereof. Contract Sum, whether lump sum, unit price or otherwise, shall be deemed to include all costs necessary to complete required Work, including Contractor overhead and profit, all costs (if any) for loss or damage arising from nature of Work or prosecution of the Work, and from action of elements.
3. Unless Contract Documents expressly provide otherwise, Contract Sum shall be deemed to include:
 - (a) Any and all costs arising from any unforeseen difficulties which may be encountered during, and all risks of any description connected with, prosecution of Work or any Work item (whether lump sum, unit price or otherwise) until acceptance by Owner;
 - (b) All expenses incurred due to suspension, or discontinuance of Work or any Work item (whether lump sum, unit price or otherwise) as provided in Contract Documents; and
 - (c) Escalation to allow for cost increases between time of Contract Award and completion of Work or any Work item (whether lump sum, unit price or otherwise).

B. Unit Price Items

1. Quantity of Work to be paid for under any item for which a unit price is fixed in Contract Documents shall be determined by Owner based on, so far as practicable, actual number of units satisfactorily completed, as determined by Owner and certified by Contractor, within prescribed or ordered limits, and no payment will be made for Work unsatisfactorily performed or done outside of limits.
2. Unit Prices shall apply to Work covered by unit prices so long as actual quantities performed on the Project are not less than 75 percent or greater than 125 percent of the estimated quantities proposed or otherwise stated in the Contract Documents. If actual

quantities exceed these parameters, then the unit price shall be adjusted by an amount to reflect the Contractor's incremental cost differential resulting from increased or decreased economies of scale.

C. Lump Sum Items

1. When estimated quantity for specific portion of Work is not indicated and/or Work is designated as lump sum, payment will be on a lump sum basis for Work satisfactorily completed in accordance with Contract Documents.
2. Payment for lump sum Work, or items of Work subject to a lump sum (e.g. without limitation, change order work), shall be made on the basis of satisfactory completion of such Work or work item, earned in progressive stages in accordance with the Contract Documents, up to but not exceeding Contractor's percentage completion of the Work or item.
3. Lump sum items shall be paid based upon the approved Schedule of Values, which shall be used to measure progressive payments based upon satisfactory progress towards completion of the item.

1.04 Payment Procedures

A. Work Breakdown Structure/Schedule of Values

1. Within time period specified in Exhibit B, but in any event prior to Contractor's first Application for Payment, Contractor shall submit a detailed breakdown of its Proposal by scheduled Work items and/or activities, including coordination responsibilities and document management responsibilities. Contractor shall furnish such breakdown of the total Contract Sum by assigning dollar values (cost estimates) to each applicable progress schedule network activity, which cumulative sum equals the total Contract Sum. This breakdown may be referred to as the Schedule of Values (**SOV**), Work Breakdown Structure (**WBS**) or both.
2. Contractor's overhead, profit, insurance, cost of bonds (except to the extent expressly identified in a Proposal item) and/or other financing, as well as "general conditions costs," (e.g., Site cleanup and maintenance, temporary roads and access, off-Site access roads, temporary power and lighting, security, and the like), shall be prorated through all activities so that the sum of all the Schedule of Values line items equals Contractor's total Contract Sum, less any allowances designated by Owner. Scheduling, record documents and quality assurance control shall be separate line items.
3. Owner will review the breakdown in conjunction with the Progress Schedule to ensure that the dollar amounts of this Schedule of Values are, in fact, reasonable cost allocations for the Work items listed. Upon favorable review by Owner, Owner will accept this Schedule of Values for use. Owner shall be the sole judge of fair market cost allocations.
4. Owner will reject any attempt to increase the cost of early activities, i.e., "front loading," resulting in a complete reallocation of moneys until such "front loading" is corrected. Repeated attempts at "front loading" may result in suspension or termination of the Work for default, or refusal to process progress payments until such time as the Schedule of Values is acceptable to Owner.

B. Contractor's Requests for Progress Payments

1. If requested by Contractor, progress payments will be made monthly, under the following conditions:
2. On or before the 25th Day of each month, Contractor shall submit to Owner five copies of an Application for Payment for the cost of the Work put in place during the period from the last Day of the previous month to the end of the current month, along with one copy of an updated Progress Schedule. Such Applications for Payment shall be for the expected total value of activities completed or partially completed, based upon Schedule of Values prices (or Proposal item prices if unit price) of all labor and materials incorporated in the Work up until midnight of the last Day of that one month period, less the aggregate of previous payments. Accumulated retainage shall be shown as separate item in payment summary.

Owner and Contractor will reconcile any differences in the field, based on the reconciled monthly report sheets. If Contractor is late submitting its Application for Payment, that Application may be processed at any time during the succeeding one-month period, resulting in processing of Contractor's Application for Payment being delayed for more than a Day for Day basis.

3. Except as otherwise provided in a labor compliance program applicable to the Work (if any) or as otherwise required by Owner, concurrently with each Application for Payment, Contractor shall submit to Owner Contractor's and its Subcontractors' certified payroll records required to be maintained pursuant to Labor Code Section 1776 for all labor performed during pay periods ending during the period covered by the Application for Payment.
4. No progress payment will be processed prior to Owner receiving all requested, acceptable schedule update information and certified payrolls, and in Owner's sole and absolute discretion, Owner may deny the entire Application for Payment for noncompliance.
5. Each Application for Payment shall list each Change Order and Construction Change Directive (**CCD**) executed prior to date of submission, including the Change Order/CCD Number, and a description of the Work activities, consistent with the descriptions of original Work activities. Contractor shall submit a monthly Change Order/CCD status log to Owner.
6. If Owner requires substantiating data, Contractor shall submit information requested by Owner, with cover letter identifying Project, Application for Payment number and date, and detailed list of enclosures. Contractor shall submit one copy of substantiating data and cover letter for each copy of Application for Payment submitted.
7. If Contractor fails or refuses to participate in monthly Work reconciliations or other construction progress evaluation with Owner, Contractor shall not receive current payment until Contractor has participated fully in providing construction progress information and schedule update information to Owner.

C. Owner's Review of Progress Payment Applications

1. Owner will review Contractor's Application for Payment following receipt and during the Progress Schedule and Billing Meeting. If adjustments need to be made to percent of completion of each activity, Owner will make appropriate notations and return to Contractor. Contractor shall revise and resubmit. All parties shall update percentage of completion values in the same manner, i.e., express value of an accumulated percentage of completion to date.
2. If Owner determines that portions of the Application for Payment are not proper or not due under the Contract Documents, then Owner may approve the other portions of the Application for Payment, and in the case of disputed items or Defective Work not remedied, may withhold up to 150 percent of the disputed amount from the progress payment.
3. Pursuant to Public Contract Code Section 20104.50, if Owner fails to make any progress payment within 30 Days after receipt of an undisputed and properly submitted Application for Payment from Contractor, Owner shall pay interest to the Contractor equivalent to the legal rates set forth in Code of Civil Procedure Section 685.010 (a). The 30-Day period shall be reduced by the number of Days by which Owner exceeds the seven-Day return requirement set forth herein.
4. As soon as practicable after approval of each Application for Payment for progress payments, Owner will pay to Contractor in manner provided by law, an amount equal to 95 percent of the amounts otherwise due as provided in Contract Documents, or a lesser amount if so provided in Contract Documents and by law, provided that payments may at any time be withheld if, in judgment of Owner, Work is not proceeding in accordance with Contract, or Contractor is not complying with requirements of Contract, or to comply with stop notices or to offset liquidated damages accruing or expected. In Owner's sole discretion, if Contractor has failed to comply with either its Progress Schedule update or project record documents requirements, Owner may retain an additional five percent (5%) of any earned amounts until such requirements are satisfied.
5. Before any progress payment or final payment is due or made, Contractor shall submit satisfactory evidence that Contractor is not delinquent in payments to employees,

Subcontractors, suppliers, or creditors for labor and materials incorporated into Work. This specifically includes, without limitation, conditional lien release forms for the current progress payment and unconditional release forms for past progress payments. This also includes copies of certified payroll from Contractor and subcontractors for the current payment period.

D. Payment for Material and Equipment Not Yet Incorporated Into the Work

1. No payment shall be made for materials or equipment not yet incorporated into the Work, except as specified elsewhere in the Contract Documents or as may be agreed to by Owner in its sole discretion. Where Contractor requests payment on the basis of materials and equipment not incorporated in the Work, Contractor must satisfy the following conditions:
 - a. The materials and/or equipment shall be delivered and suitably stored at the Site or at another local location agreed to in writing, for example, a mutually acceptable bonded and insured warehouse.
 - b. Full title to the materials and/or equipment shall vest in Owner at the time of delivery to the Site, warehouse or other storage location. Obtain a negotiable warehouse receipt, endorsed over to Owner for materials and/or equipment stored in an off-site warehouse. No payment will be made until such endorsed receipts are delivered to Owner.
 - c. Stockpiled materials and/or equipment shall be available for Owner inspection, but Owner shall have no obligation to inspect them and its inspection or failure to inspect shall not relieve Contractor of any obligations under the Contract Documents. Materials and/or equipment shall be segregated and labeled or tagged to identify these specific Contract Documents.
 - d. After delivery of materials and/or equipment, if any inherent or acquired defects are discovered, defective materials and/or equipment shall be removed and replaced with suitable materials and/or equipment at Contractor's expense.
 - e. At Contractor's expense, insure the materials and/or equipment against theft, fire, flood, vandalism, and malicious mischief, as well as any other coverages required under the Contract Documents.
 - f. Contractor's Application for Payment shall be accompanied by a bill of sale, invoice or other documentation warranting that Owner has received the materials and equipment free and clear of all liens and evidence that the materials and equipment are covered by appropriate property insurance and other arrangements to protect Owner interest therein, all of which must be satisfactory to Owner. This documentation shall include, without limitation, conditional releases of mechanics' liens and stop notices from all those providing materials and equipment as to which the Application for Payment relates, as well as unconditional releases of the same from the same as to the previous Application for Payment for which they have not already been provided. Amounts previously paid for materials and equipment prior to incorporation into the Work shall be deducted from amounts otherwise due Contractor as they are incorporated.

1.05 Final Payment

A. Final Payment

1. As soon as practicable after all required Work is completed in accordance with Contract Documents, including punchlist, testing, record documents and Contractor maintenance after Final Acceptance, Contractor shall submit its Application for Final Payment.
2. Provided Contractor has met all conditions required for Final payment, Owner will pay to Contractor, in manner provided by law, unpaid balance of Contract Sum of Work (including, without limitation, retentions), or whole Contract Sum of Work if no progress payment has been made, determined in accordance with terms of Contract Documents, less sums as may be lawfully retained under any provisions of Contract Documents or by law.

B. Final Accounting

1. Prior progress payments and change orders shall be subject to audit and correction in the final payment.
2. Contractor and each assignee under an assignment in effect at time of final payment shall execute and deliver at time of final payment, and as a condition precedent to final payment, an Agreement and Release of Claims in the form attached hereto as Exhibit G-1.

1.06 Substitution of Securities

- A. Public Contract Code Section 22300. In accordance with the provisions of Public Contract Code Section 22300, substitution of securities for any moneys withheld under Contract Documents to ensure performance is permitted.

1.07 Basis And Effect Of Payment

- A. Payment will be made by Owner, based on Owner observations at the Site and the data comprising the Application for Payment. Payment will not be a representation that Owner has:
1. Made exhaustive or continuous on-Site inspections to check the quality or quantity of Work;
 2. Reviewed construction means, methods, techniques, sequences, or procedures;
 3. Reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by Owner to substantiate Contractor's right to payment; or
 4. Made examination to ascertain how or for what purpose Contractor has used money previously paid on account of the Contract Sum.
 5. Owner does not expressly, or by implication, agree, warrant, or represent in any manner, that actual amount of Work will correspond with amount shown or estimated and reserves right to increase or decrease amount of any class or portion of Work, to leave out entire Work Item or Items, or to add work not originally included in Proposals or Contract Documents, when in its judgment such change is in best interest of Owner. No change in Work shall be considered a waiver of any other condition of Contract Documents. No claim shall be made for anticipated profit, for loss of profit, for damages, or for extra payment whatever, except as otherwise expressly provided for in Contract Documents, because of any differences between the amount of Work actually done and estimated amount as set forth herein, or for elimination of Work Items.

EXHIBIT G-1
AGREEMENT AND RELEASE OF ANY AND ALL CLAIMS
[Public Contract Code Section 7100]

THIS AGREEMENT AND RELEASE OF ANY AND ALL CLAIMS (**Agreement and Release**), made and entered into this [date] day of [Month], [202], by and between **Housing Authority of the County of Monterey (Owner)**, and [Enter Name of Contractor] (**Contractor**), whose place of business is at [Enter Address of Contractor].

RECITALS

- A. Owner and Contractor entered into Contract (the “**Contract**”) for Special Services relating to the King City Homekey Project.
- B. The Work under the Contract has been completed.

AGREEMENT

NOW THEREFORE, it is mutually agreed between Owner and Contractor as follows:

1. Contractor will not be assessed liquidated damages except as detailed below:

Original Contract Sum \$ _____

Modified Contract Sum \$ _____

Payment to Date \$ _____

Liquidated Damages \$ _____

Payment Due Contractor \$ _____

2. Subject to the provisions of this Agreement and Release, Owner will forthwith pay to Contractor the sum of [_____] Dollars and _____ Cents (\$ _____) under the Contract, less any amounts withheld under the Contract or represented by any Notice to Withhold Funds on file with Owner as of the date of such payment.

3. Contractor acknowledges and hereby agrees that there are no unresolved or outstanding claims in dispute against Owner arising from the Contract, except for the claims described in Paragraph 4 of this Agreement and Release. It is the intention of the parties in executing this Agreement and Release that this Agreement and Release shall be effective as a full, final and general release of all claims, demands, actions, causes of action, obligations, costs, expenses, damages, losses and liabilities of Contractor against Owner, and all if its agents, employees, consultants, inspectors, representatives, assignees and transferees, except for the Disputed Claims set forth in Paragraph 4 of this Agreement and Release. Nothing in this Agreement and Release shall limit or modify Contractor’s continuing obligations described in Paragraph 6 of this Agreement and Release.

4. The following claims submitted under the Contract, Section 31, are disputed (**Disputed Claims**) and are specifically excluded from the operation of this Agreement and Release.

[Insert information in Chart below, affix attachment if necessary]

CLAIM NO.	<i>Date Submitted</i>	<i>Description of Claim</i>	<i>Amount of Claim</i>

5. Consistent with California Public Contract Code Section 7100, Contractor hereby agrees that, in consideration of the payment set forth in Paragraph 2 of this Agreement and Release, Contractor hereby releases and forever discharges Owner, and all of its agents, employees, consultants, inspectors, assignees and transferees from any and all liability, claims, demands, actions or causes of action of whatever kind or nature arising out of or in any way concerned with the Work under the Contract.
6. Guarantees and warranties for the Work, and any other continuing obligation of Contractor, shall remain in full force and effect as specified in the Contract Documents.
7. Contractor shall immediately defend, indemnify and hold harmless Owner, any of the Owner's Representatives, Project Manager, and all of their agents, employees, consultants, inspectors, assignees and transferees, from any and all claims, demands, actions, causes of action, obligations, costs, expenses, damages, losses and liabilities that may be asserted against them by any of Contractor's suppliers and/or Subcontractors of any tier and/or any suppliers to them for any and all labor, materials, supplies and equipment used, or contemplated to be used in the performance of the Contract, except for the Disputed Claims set forth in Paragraph 4 of this Agreement and Release.
8. Contractor hereby waives the provisions of California Civil Code Section 1542, which provide as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.
9. The provisions of this Agreement and Release are contractual in nature and not mere recitals and shall be considered independent and severable, and if any such provision or any part thereof shall be at any time held invalid in whole or in part under any federal, state, county, municipal or other law, ruling, or regulation, then such provision, or part thereof shall remain in force and effect only to the extent permitted by law, and the remaining provisions of this Agreement and Release shall also remain in full force and effect, and shall be enforceable.

10. Contractor represents and warrants that it is the true and lawful owner of all claims and other matters released pursuant to this Agreement and Release, and that it has full right, title and authority to enter into this instrument. Each party represents and warrants that it has been represented by counsel of its own choosing in connection with this Agreement and Release.
11. All rights of Owner shall survive completion of the Work or termination of the Contract, and execution of this Agreement and Release.

***** CAUTION: THIS IS A RELEASE - READ BEFORE EXECUTING *****

OWNER: HOUSING AUTHORITY OF THE COUNTY OF MONTEREY

By: _____
Signature

Name: _____
Print

Its: _____
Title

[CONTRACTOR]

By: _____
Signature

Name: _____
Print

Its: _____
Title

[CONTRACTOR]

By: _____
Signature

Name: _____
Print

Its: _____
Title

[IF REQUIRED] REVIEWED AS TO FORM:

Dated: _____, [20__]

By: _____
Counsel for Owner

Name: _____
Print

END OF DOCUMENT

EXHIBIT H

MODIFICATIONS

1.01 Procedures For CONTRACTOR Initiated Change Order

A. CONTRACTOR-Initiated Change Proposal Request (CPR) and Procedures

1. CONTRACTOR may initiate changes by submitting a Change Proposal Request (CPR).

2. Whenever CONTRACTOR elects or is entitled to submit a CPR, CONTRACTOR shall prepare and submit to Owner for consideration a CPR using the Cost Proposal Form attached to this Exhibit H. All CPR's must contain a complete breakdown of costs of credits, deducts and extras; itemizing labor, materials, equipment, markup, bonds, insurance and taxes; and any requested changes to Contract Time. All Subcontractor Work shall be so indicated. After receipt of a CPR with a detailed breakdown, Owner will act promptly thereon.

3. If Owner accepts a CPR, Owner will prepare a Change Order for Owner and CONTRACTOR signatures.

4. If CPR is not acceptable to Owner because it does not agree with CONTRACTOR's proposed cost and/or time, Owner will provide comments thereto. CONTRACTOR will then, within seven Days (except as otherwise provided herein), submit a revised CPR.

5. When necessity to proceed with a change does not allow Owner sufficient time to conduct a proper check of a CPR (or revised CPR), Owner may issue a Change Directive (CD) as provided below.

6. CONTRACTOR and subcontractors shall, upon Owner's request, permit inspection of the original unaltered cost estimates, subcontract agreements, purchase orders relating to the change, and documents substantiating all costs associated with its CPR or Claims arising from changes in the Work.

1.02 Procedures for Owner-Initiated Change Orders

A. Owner Initiated Change Directives (CD)

1. Owner may, by Change Directive (CD) or initially by Instruction Bulletin or by following the procedures for disputed work herein, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, with or without adjustment to Contract Sum or Contract Time.

2. If at any time Owner believes in good faith that a timely Change Order will not be agreed upon using the foregoing procedures, or at any other time, Owner may issue a CD with its recommended cost and/or time adjustment (if

any). Upon receipt of CD, CONTRACTOR shall promptly proceed with the change of Work involved and respond to Owner within ten Days.

3. CONTRACTOR's response must be any one of following:

- (a) Return CD signed, thereby accepting Owner response, including adjustment to time and cost (if any).
- (b) Submit a (revised if applicable) Cost Proposal with supporting documentation (if applicable, reference original Cost Proposal number followed by letter A, B, etc. for each revision), if Owner so requests.
- (c) Give notice of intent to submit a claim as described in Section 31 of the Contract, and submit its claim as provided therein.

4. If CPR or the CD provides for an adjustment to any Contract Sum, the adjustment shall be based on one of the following methods:

- (a) Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation.
- (b) CONTRACTOR to proceed on cost reimbursable (force account) basis while negotiating towards a firm price.
- (c) Cost to be determined in a manner agreed.

5. Change Directive signed by CONTRACTOR indicates the agreement of CONTRACTOR therewith, including adjustment in Contract Sum or the method for determining them. Such agreement shall be effective immediately and shall be finalized as a Change Order. Where Owner authorizes CD work on a time and materials basis up to a maximum amount, then CONTRACTOR shall promptly advise Owner upon reaching 75% of such maximum amount, otherwise CONTRACTOR shall accept fully the risk of completing the CD work without exceeding such maximum amount.

6. If CONTRACTOR does not respond promptly or disagrees with the method for adjustment (or non-adjustment) in the Contract Sum, the method and the adjustment shall be determined by Owner on the basis of the Contract Documents and the reasonable expenditures and savings of those performing the Work attributable to the change. If the parties still do not agree on the proper adjustment due to a Change Directive, CONTRACTOR may file a Claim per Section 31 of the Contract and/or Owner may direct the changed work through a unilateral change order. CONTRACTOR shall keep and present an itemized accounting, together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this paragraph shall be limited to those provided herein.

7. Pending final determination of cost to Owner, CONTRACTOR may include amounts not in dispute in its Applications for Payment. The amount of credit to be allowed by CONTRACTOR to Owner for a deletion or change which results in a net decrease in the Contract Sum shall be actual net cost as confirmed by Owner. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for Markup shall be figured on the basis of net increase, if any, with respect to that change.

B. Owner Initiated Change Order (CO) Or Request For Proposal (RFP)

1. Owner may initiate changes in the Work or CONTRACT TIME by issuing a Request for Proposal (RFP) or Change Order (CO) to CONTRACTOR.
2. Owner may issue an RFP to CONTRACTOR. Any RFP will detail all proposed changes in the Work and request a quotation of changes in Contract Sum and Contract Time from CONTRACTOR.
3. In response to an RFP, CONTRACTOR shall furnish a Change Proposal Request (CPR) within 7 days of Owner's RFP. Upon approval of CPR, Owner may issue a Change Directive directing CONTRACTOR to proceed with extra Work.
4. If the parties agree on price and time for the work, the Owner will issue a Contract Change Order. If the parties do not agree on the price or time for a CPR, Owner may either issue a CD or decide the issue per Section 31 of the Contract. CONTRACTOR shall perform the changed Work notwithstanding any claims or disagreements of any nature.

1.03. Procedures that Apply to CONTRACTOR- and Owner-Initiated Change Orders

A. Adjustment of Schedules to Reflect Change Orders or CDs

1. CONTRACTOR shall revise Application for Payment forms to record each authorized Change Order or CD as a separate line item and adjust the Contract Sum as shown thereon prior to the next monthly pay period.
2. CONTRACTOR shall revise project schedules prior to the next monthly pay period, to reflect CO or CD.

B. Required Documentation for Adjustments to Contract Amounts

1. For all changes and cost adjustments requested, CONTRACTOR shall provide documentation of change in Contract Amounts asserted, with sufficient data to allow evaluation of the proposal.

2. In all requests for compensation, cost proposals, estimates, claims and any other calculation of costs made under the Contract Documents, CONTRACTOR shall breakout and quantify costs of labor, equipment and materials identified herein, for CONTRACTOR and subcontractors of any tier.

3. CONTRACTOR shall, on request, provide additional data to support computations for:

- (a) Quantities of products, materials, labor and equipment.
- (b) Taxes, insurance, and bonds.
- (c) Justification for any change in Contract Time and new Progress Schedule showing revision due, if any.
- (d) Credit for deletions from Contract, similarly documented.

4. CONTRACTOR shall support each claim or computation for additional cost, with additional information including:

- (a) Origin and date of claim or request for additional compensation.
- (b) Dates and times Work was performed and by whom.
- (c) Time records and wage rates paid.
- (d) Invoices and receipts for products, materials, equipment and subcontracts, similarly documented.
- (e) Credit for deletions from Contract, similarly documented.

C. Responses and Disputes

1. For all responses for which the Contract Documents do not provide a specific time period, recipients shall respond within a reasonable time.

2. For all disputes arising from the procedures herein, CONTRACTOR shall follow Section 31 of the Contract.

1.05 Cost Determination for Changes in Contract Amounts

A. Calculation of Total Cost of Extra Work

1. Total cost of changed Work, extra Work or of Work omitted shall be the sum of three components defined immediately below as: Component 1 (Direct Cost of Construction or Direct Costs); Component 2 (Markup); and, Component 3 (Bonds, Insurance, Taxes).

2. Component 1: Direct Costs of labor, equipment and materials, is calculated based upon actually incurred (or omitted) labor costs, equipment rental costs, and material costs, as defined herein;

3. Component 2: Markup on such actually incurred Direct Costs, is applied in the percentages identified below; and
4. Component 3: Actual additional costs for any additionally required bonds, insurance, and/or taxes by CONTRACTOR, Subcontractors, or other forces, defined herein, is calculated without markup.
5. All amounts payable to Subcontractors under Components 1, 2, and 3: must be earned under the terms of the applicable Subcontracts; must be properly requested, documented and permitted under the terms of the applicable subcontract(s) and Contract Documents; and shall be payable only if changed Work complies with terms of Contract Documents.

1.06 Measurement Of Direct Cost Of Construction (Cost Component 1)

A. Composition of Component 1 (Direct Cost of Construction)

1. Component 1 has three subcomponents, also referred to as labor, equipment, and materials (LEM):

- (a) Labor (Component 1A)
- (b) Equipment (Component 1B)
- (c) Materials (Component 1C)

B. Measurement of Cost of Labor (Component 1A)

1. Cost of Labor shall be calculated as: Cost of labor for workers (including forepersons when authorized by Owner) used in actual and direct performance of the subject work, whether employer is CONTRACTOR, Subcontractor or other forces, in the sum of the following:

- (a) Actual Wages: Actual wages paid shall include any employer payments to or on behalf of workers for health and welfare, pension, vacation, and similar purposes.
- (b) Labor surcharge: Payments imposed by local, county, state, and federal laws and ordinances, and other payments made to, or on behalf of, workers, other than actual wages as defined, such as worker's compensation insurance. Such labor surcharge shall not exceed generally accepted standards in the State for labor rates in effect on date upon which extra Work is accomplished.
- (c) Cost of labor shall include no other costs, fees or charges.

2. Labor cost for operators of equipment owned and operated by CONTRACTOR or any Subcontractor, shall be no more than rates of such labor established by collective bargaining agreements for type of worker and location of

Work, whether or not owner-operator (i.e., CONTRACTOR or Subcontractor) is actually covered by such an agreement.

3. Cost of labor shall be recorded and documented in certified payroll records, maintained in the form customary and/or required in the State, and delivered to Owner weekly.

C. Measurement of Cost of Equipment (Component 1B)

1. Measurement of Component 1B (Cost of Equipment). Cost of Equipment shall be calculated as: Cost of equipment used in actual and direct performance of the subject work, whether by CONTRACTOR, Subcontractor or other forces. Cost of Equipment shall be calculated as herein described.

2. For rented equipment, cost will be based on actual rental invoices, appropriate for the use and duration of the work. Equipment used on extra Work shall be of proper size and type. If, however, equipment of unwarranted size or type and cost is used, cost of use of equipment shall be calculated at rental rate for equipment of proper size and type, as determined by Owner.

3. Equipment rental cost for CONTRACTOR or Subcontractor-owned equipment, shall be determined by reference to, and not in excess of, the generally accepted standards in the State for equipment rental rates in effect on date upon which extra Work is accomplished. If there is no applicable rate for an item of equipment, then payment shall be made for CONTRACTOR or Subcontractor-owned equipment at rental rate listed in the most recent edition of the Caltrans Standard Schedules and Specifications, and absent a rental rate therein, then the Association of Equipment Distributors (AED) book.

4. In all cases, rental rates paid shall be deemed to cover cost of fuel, oil, lubrication, supplies, small tools, necessary attachments, repairs and maintenance of any kind, depreciation, storage, insurance, and all incidentals.

5. Unless otherwise specified, manufacturer's ratings, and manufacturer-approved modifications, shall be used to classify equipment for determination of applicable rental rates. Individual pieces of equipment or tools not listed in said publication and having a replacement value of \$100 or less, whether or not consumed by use, shall be considered to be small tools and no payment will be made therefore as payment is included in payment for labor. Rental time will not be allowed while equipment is inoperative due to breakdowns.

6. For equipment on Site, rental time to be paid for equipment shall be time equipment is in operation on extra Work being performed or on standby as approved by Owner. The following shall be used in computing rental time of equipment:

- (a) When hourly rates are listed, less than 30 minutes of operation shall be considered to be ½ hour of operation.
- (b) When daily rates are listed, less than four hours of operation shall be considered to be ½ Day of operation.
- (c) Rates shall correspond to actual rates paid by CONTRACTOR, i.e., if CONTRACTOR pays lower weekly or monthly rates, then same shall be charged to Owner.

7. For equipment that must be brought to Site to be used exclusively on extra Work, cost of transporting equipment to Site and its return to its original location shall be determined as follows:

- (a) Owner will pay for costs of loading and unloading equipment.
- (b) Cost of transporting equipment in low bed trailers shall not exceed hourly rates charged by established haulers.
- (c) Cost of transporting equipment shall not exceed applicable minimum established rates of California Public Utilities Commission or appropriate State Dept. of Transportation.
- (d) Owner will not make any payment for transporting and loading and unloading equipment if equipment is used on Work in any other way than upon extra Work.
- (e) Rental period may begin at time equipment is unloaded at Site of extra Work and terminate at end of the performance of the extra Work or Day on which Owner directs CONTRACTOR to discontinue use of equipment, whichever first occurs. Excluding Saturdays, Sundays, and Owner legal holidays, unless equipment is used to perform extra Work on such Days, rental time to be paid per Day shall be four hours for zero hours of operation, six hours for four hours of operation and eight hours for eight hours of operation, time being prorated between these parameters. Hours to be paid for equipment that is operated less than eight hours due to breakdowns, shall not exceed eight less number of hours equipment is inoperative due to breakdowns.

8. Employee vehicles are not part of Component 1A, rather, are included within Component 2 (Markup).

9. Cost of Equipment shall include no other costs, fees or charges.

D. Measurement of Cost of Material (Component 1C)

1. Cost of Material shall be calculated as herein described. Cost of such materials will be cost to purchaser (CONTRACTOR, Subcontractor or other forces) from supplier thereof, except as the following are applicable:
2. If cash or trade discount by actual supplier is offered or available to purchaser, it shall be credited to Owner notwithstanding fact that such discount may not have been taken.
3. For materials salvaged upon completion of Work, salvage value of materials shall be deducted from cost, less discounts, of materials.
4. If cost of a material is, in opinion of Owner, excessive, then cost of material shall be deemed to be lowest current wholesale price at which material is available in quantities concerned delivered to Site, less any discounts as provided in this Paragraph.
5. Cost of Material shall include no other costs, fees or charges.

1.07 Measurement and Payment of Markup (Cost Component 2)

A. Markup Percentages for Changed Work (Component 2)

1. Markup on Direct Cost of labor, materials and equipment for extra Work pursuant to the Contract Documents performed by CONTRACTOR shall be 15%.
2. When extra Work is performed by Subcontractors, regardless of the number of tiers, total Markup on Component 1 Direct Costs shall be 20%. CONTRACTOR and its Subcontractors shall divide the 20% as they may agree.
3. Under no circumstances shall the total Markup on any extra Work exceed 20%, stated as a percent of the Direct Cost of labor, equipment and materials. This limitation shall apply regardless of the actual number of subcontract tiers.
4. On proposals covering both increases and decreases in Contract Sum, Markup shall be allowed on the net increase only as determined above. When the net difference is a deletion, no percentage for Markup shall be allowed, but rather an appropriate percentage deduction shall be issued in the amount of the net difference.

B. Measurement and Payment of Markup (Component 2)

1. Markup (Component 2) provides complete compensation to CONTRACTOR and all Subcontractors for:
 - (a) All CONTRACTOR and Subcontractor profit;
 - (b) All CONTRACTOR and Subcontractor home-office overhead;
 - (c) All CONTRACTOR and Subcontractor assumption of risk assigned to CONTRACTOR under the Contract Documents;

(d) Subject to the qualifications below regarding self-performed work, all General Conditions and General Requirements of CONTRACTOR (and, if applicable, Subcontractors).

2. Profit. Compensation for profit included within Component 2 (Markup), includes without limitation: Fees of all types, nature and description; and Profit and margins of all types, nature and description.

3. Home Office Expenses. Compensation for home office expenses included within Component 2 (Markup), includes without limitation: Salaries and other compensation of any type of CONTRACTOR's and Subcontractor's personnel (management, administrative and clerical), and all direct and indirect operating, travel, payroll, safety, storage, quality control, maintenance and overhead costs of any nature whatsoever, incurred by CONTRACTOR and Subcontractors at any location other than the Project specific site office, including without limitation, CONTRACTOR's principal or branch offices; insurance premiums other than those for Project specific insurance directed by the Owner in a change order; all hardware, software, supplies and support personnel necessary or convenient for CONTRACTOR's capture, documentation and maintenance of its costs and cost accounting data and cost accounting and control systems and work progress reporting.

4. Assumption of Risk. Compensation for CONTRACTOR's and Subcontractor's assumption of risk under the Contract Documents, included within Component 2 (Markup), includes, without limitation, loss, cost, damage, expense or liability resulting directly or indirectly from any of the following causes (unallowable costs), for CONTRACTOR and Subcontractors of any tier: noncompliance with the Contract Documents, fault or negligence, defective or non-conforming Work, by CONTRACTOR or any Subcontractor or Vendor of any tier or anyone directly or indirectly employed by any of them, or for whose acts or omissions any of them are responsible or liable at law or under the Contract Documents; cost overruns of any type; costs in excess of any lump sum, not to exceed amount or GMP; costs resulting from bid, proposal, or "buy out" errors, unallocated scope, or incomplete transfer of scope or contract terms to Subcontractors; any costs incurred by CONTRACTOR relating to a Change in the Work without a Change Order or Change Directive in accordance with the Contract Documents; costs for work or materials for which no price is fixed in the Contract Documents, unless it is expressly specified that such work or material is to be paid for as extra work.

5. Agreement General Requirements. Compensation for CONTRACTOR's (and, if applicable Subcontractors') General Requirements Costs included within

Component 2 (Markup) includes compensation for: CONTRACTOR's direct costs, without overhead or profit, "General Conditions" costs, for salaries and related forms of compensation and employer's costs for labor and personnel costs, of CONTRACTOR's employees and subconsultant's employees (if any), while and only to the extent they are performing Work at the Project Site, and all "General Requirements Costs" below. Personnel and Work compensated by this Component include, without limitation: All required Project management responsibilities; all on-site services; monthly reporting and scheduling; routine field inspection of Work; general superintendence; general administration and preparation of cost proposals, schedule analysis, change orders and other supporting documentation as necessary; salaries of project superintendent, project engineers, project managers, safety manager, other manager, timekeeper, and secretaries; all cost estimates and updates thereto; development, validation and updates to the project schedule; surveying; and estimating. General Requirements Costs included within Component 2 (Markup) include, without limitation: all scheduling hardware, software, licenses, equipment, materials and supplies; purchase, lease or rental, build out, procurement, supporting equipment and maintenance of temporary on Site facilities, Project field and office trailers and other temporary facilities, office equipment and supporting utilities; platforms, fencing, cleanup and jobsite security; temporary roads, parking areas, temporary security or safety fencing and barricades, etc.; all CONTRACTOR's motor vehicles used by any CONTRACTOR's personnel, and all costs thereof; all health and safety requirements, required by law or Owner procedures; all surveying; all protection of Work; handling and disposal fees; final cleanup; repair or maintenance; other incidental Work; all items, activities and function similar to any of those described above; all travel, entertainment, lodging, board and the like.

6. Personnel compensated by the Markup Component do not include workers of foreman level or below in the case of self-performed work; rather, such personnel shall be treated as a Direct Cost of Construction. Costs compensated by Component 2 (Markup) do not include temporary measures specifically required by the changed work, not otherwise required or ongoing in the prosecution of the Work, that commence specifically to support the changed work and conclude with the completion of the changed work. Such costs shall be treated as Direct Costs of Construction. Examples of General Requirements costs that this component may not cover are the following: temporary barricades or fencing of specific areas required specifically for the changed work; cranes required specifically for the changed work; and extra security required specifically for the changed work.

1.08 Measurement and Payment of Bonds, Insurance, Taxes (Component 3)

A. Measurement of Bonds, Insurance, Taxes (Component 3)

1. Component 3 (Bonds, Insurance, Taxes) consists of the cost of bonds, insurance and taxes, also referred to as BIT. All State sales and use taxes, applicable County and applicable Town sales taxes, shall be included. Federal and Excise tax shall not be included.
2. There is no markup on BIT.

1.09 Effect Of Payment

A. Change Order Compensation is All Inclusive

1. Except as provided expressly below regarding changes that extend the Contract Time, payment of calculated cost of extra work constitutes full and complete compensation for costs or expense arising from the extra Work, and is intended to be all inclusive.
2. Payment for Direct Cost of Construction (Component 1 or LEM) is intended to be all-inclusive. Any costs or risks not delineated within cost of labor, equipment or materials herein, shall be deemed to be within the costs and risks encompassed by the applicable Markups and unallowable in any separate amount.
3. Payment of Markup (Component 2) is intended to be all-inclusive. CONTRACTOR waives claims for any further or different payment of cost and risk items delineated herein, other than the allowable percentage markup on costs set forth in the Contract Documents; such separate, further or different cost or risk items shall be unallowable, waived and liquidated within the allowable percentage markup.
4. CONTRACTOR shall recover no other costs or markups on extra work of any type, nature or description.

B. Exception for Changes Extending Contract Time

1. Where a change in the Work extends the CONTRACT TIME, CONTRACTOR may request and recover additional, actual direct LEM costs, provided CONTRACTOR can demonstrate such additional costs are (i) actually incurred performing the Work, (ii) not compensated by Component 2 (Markup), and (iii) directly result from the extended CONTRACT TIME. CONTRACTOR shall make such request and provide such documentation following all required procedures, documentation and time requirements in the Contract Documents, and subject to all contract limitations of liability. CONTRACTOR may not seek or recover such costs using formulas (e.g., Eichleay).

C. Limits of Liability/Accord and Satisfaction

1. The foregoing limits of compensation apply in all cases of claims for changed Work, whether calculating Change Proposal Requests, Change Orders or CDs, or calculating claims and/or damages of all types, and applies even in the event of fault, negligence, strict liability, or tort claims of all kinds, including strict liability or negligence. CONTRACTOR may recover no other costs arising out of or connected with the performance of extra Work, of any nature.

2. Under no circumstances may CONTRACTOR claim or recover special, incidental or consequential damages against Owner, its representatives or agents, whether arising from breach of contract, negligence, strict liability or other tort or legal theory, unless specifically and expressly authorized in the Contract Documents.

3. No change in Work shall be considered a waiver of any other condition of Contract Documents. No claim shall be made for anticipated profit, for loss of profit, for damages, or for extra payment whatever, except as expressly provided for in Contract Documents.

4. Accord and Satisfaction: Every Change Order and accepted CD shall constitute a full accord and satisfaction, and release, of all CONTRACTOR (and if applicable, Subcontractors) claims for additional time, money or other relief arising from or relating to the subject matter of the change including, without limitation, impacts of all types, cumulative impacts, inefficiency, overtime, delay and any other type of claim. CONTRACTOR may elect to reserve its rights to disputed claims arising from or relating to the changed Work at the time it signs a Change Order or approves a CD, but must do so expressly in a writing delivered concurrently with the executed Change Order or approved CD, and must also submit a Claim for the reserved disputed items pursuant to Section 31 of the Contract no later than 30 Days after CONTRACTOR's first written notice of its intent to reserve rights. Execution of any Change Order or CD shall constitute CONTRACTOR's representation of its agreement with this provision.

1.10 Miscellaneous Requirements

A. Records and Certification

1. All charges shall be recorded daily and summarized in Change Proposal Request form attached hereto. CONTRACTOR or authorized representative shall complete and sign form each day. CONTRACTOR shall also provide with the form: the names and classifications of workers and hours worked by each; an itemization of all materials used; and a list by size type and identification number of equipment and hours operated.

2. Owner shall have the right to audit all records in possession of CONTRACTOR relating to activities covered by CONTRACTOR's claims for modification of Contract, including CD Work. This right shall be specifically enforceable, and any failure of CONTRACTOR to voluntarily comply shall be deemed an irrevocable waiver and release of all claims then pending that were or could have been subject to Section 31 of the Contract.

COST PROPOSAL FORM

[Insert Project Name]

Contract Number _____

CP Number: _____

Date: _____

In Response To _____

(RFP #, etc.)

To: Housing Authority, County of Monterey

Attention: [_____]

_____, CA 9 _____

Phone: (____) ____-____

Fax: (____) ____-____

From: [Insert Contractor's Name/Address] _____

This Cost Proposal is in response to the above-referenced _____ [insert RFP, etc. as applicable].

Brief description of change(s): _____

ITEM DESCRIPTION	PRIME CONTRACTOR	SUB 1	SUB 2	SUB 3	SUB 4	TOTAL
LABOR						
EQUIPMENT						
MATERIAL						
TOTAL DIRECT COST OF CONSTRUCTION (LEM)						
MARKUP FOR PRIME CONTRACTOR'S SELF-PERFORMED WORK (15%)						
MARKUP FOR SUBCONTRACTOR-PERFORMED WORK (20%)						
BONDS, INSURANCE AND TAXES						
GRAND TOTAL						

REQUESTED CHANGE IN CONTRACT TIME (DAYS)

By Contractor: _____

Signature: _____

Date: _____

EXHIBIT I

FORM OF PERFORMANCE BOND

PERFORMANCE BOND

THIS PERFORMANCE BOND (**Bond**) is dated **[Month, Day]**, 202_ is in the amount of **[Insert Amount]** (**Penal Sum**), which is 100% of the Contract Sum and is entered into by and between the parties listed below to ensure the faithful performance of the Contract identified below. This Bond consists of this page and the Bond Terms and Conditions, Paragraphs 1 through 14 attached to this page. Any singular reference to **PRECISION CONSTRUCTION & PROPERTY DAMAGE MITIGATION INC (Contractor)**, **[Insert name of Surety]** (**Surety**), **Housing Authority of the County of Monterey (Owner)**, or other party shall be considered plural where applicable.

CONTRACTOR:

**PRECISION CONSTRUCTION
& PROPERTY DAMAGE
MITIGATION INC**

Address

City/State/Zip

SURETY:

[Insert name of Surety]

Principal Place of Business

City/State/Zip

CONTRACT:

Contract For Special Services dated _____, in the amount of
\$_____.

CONTRACTOR AS PRINCIPAL

Company: (Corp. Seal)

Signature: _____

Name: _____

Title: _____

SURETY

Company: (Corp. Seal)

Signature: _____

Name: _____

Title: _____

BOND TERMS AND CONDITIONS

ARTICLE 1 Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to Owner for the complete and proper performance of the Contract, which is incorporated herein by reference.

ARTICLE 2 If Contractor completely and properly performs all of its obligations under the Contract, Surety and Contractor shall have no obligation under this Bond.

ARTICLE 3 If there is no Owner Default, Surety's obligation under this Bond shall arise after:

3.01 Owner provides Surety with written notice that Owner has declared a Contractor Default under the Contract pursuant to the terms of the Contract; and

3.02 Owner has agreed to pay the Balance of Contract Sum:

A. To Surety in accordance with the terms of this Bond and the Contract; or

B. To a Contractor selected to perform the Contract in accordance with the terms of this Bond and the Contract.

ARTICLE 4 When Owner has satisfied the conditions of Article 3 above, Surety shall promptly (within 40 Days) and at Surety's expense elect to take one of the following actions:

4.01 Arrange for Contractor, with consent of Owner, to perform and complete the Contract (but Owner may withhold consent, in which case the Surety must elect an option described in Paragraphs 4.02, 4.03 or 4.04 below); or

4.02 Undertake to perform and complete the Contract itself, through its qualified agents or through qualified independent contractors or qualified entities; provided, that Surety may not select Contractor as its agent or independent contractor or Contractor without Owner's consent; or

4.03 Undertake to perform and complete the Contract by obtaining bids from qualified contractors or qualified entities acceptable to Owner for a contract for performance and completion of the Contract and, upon determination by Owner of the lowest responsive and responsible Bidder, arrange for a contract to be prepared for execution by Owner and the contractor or Contractor selected with Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Contract; and, if Surety's obligations defined in Article 6 below, exceed the Balance of Contract Sum, then Surety shall pay to Owner the amount of such excess; or

4.04 Waive its right to perform and complete, arrange for completion, or obtain a new contractor or Contractor, and with reasonable promptness under the circumstances and, after investigation and consultation with Owner, determine in good faith its monetary obligation to Owner under Article 6 below, for the performance and completion of the Contract and, as soon as practicable after the amount is determined, tender payment therefor to Owner with full explanation of the payment's calculation. If Owner accepts Surety's tender under this Paragraph 4.04, Owner may still hold Surety liable for future damages then unknown or unliquidated resulting from the Contractor Default, as agreed by Owner and Surety at the time of tender. If Owner disputes the amount of Surety's tender under this Paragraph 4.04, Owner may exercise all remedies available to it at law to enforce Surety's liability under Articles 6 and 7 below.

ARTICLE 5 At all times Owner shall be entitled to enforce any remedy available to Owner at law or under the Contract including, without limitation, and by way of example only, rights to perform work, protect Work, mitigate damages, advance critical Work to mitigate schedule delay, and coordinate Work with other consultants or contractors.

ARTICLE 6 If Surety elects to act under Paragraphs 4.01, 4.02 or 4.03 above, within the time period provided in Article 4, above, and complies with its obligations under this Bond, Surety's obligations under this Bond are commensurate with Contractor's Contract obligations. Surety's obligations include, but are not limited to:

- 6.01** Contractor's obligations to complete the Contract and correct Defective Work;
- 6.02** Contractor's obligations to pay liquidated damages and for damages for which no liquidated damages are specified in the Contract, actual damages caused by non-performance of the Contract including, but not limited to, all valid and proper backcharges, offsets, payments, indemnities, or other damages; and
- 6.03** To the extent otherwise required of Contractor under the Contract, Contractor's obligations to pay additional legal, design professional, and other costs not included within liquidated damages resulting from Contractor Default (but excluding attorney's fees incurred to enforce this Bond).

ARTICLE 7 If Surety does not elect to act under Paragraphs 4.01, 4.02, 4.03, or 4.04, above, within the time period provided in Article 4, above, or comply with its obligations under this Bond, then Surety shall be deemed to be in default on this Bond ten Days after receipt of an additional written notice from Owner to Surety demanding that Surety perform its obligations under this Bond. Such Surety default shall be independent of the Contractor Default. To the extent Surety's independent default causes Owner to suffer damages including, but not limited to, delay damages, which are different from, or in addition to (but not duplicative of) damages which Owner is entitled to receive under the Contract, Surety shall also be liable for such damages. In the event any Surety obligation following its independent default is inconsistent or conflicts with California Civil Code Section 2809, or any other law which either prohibits, restricts, limits or modifies in any way any obligation of a surety which is larger in amount or in any other respect more burdensome than that of the principal, Surety hereby waives the provisions of such laws to that extent.

ARTICLE 8 If Surety elects to act under Paragraphs 4.01, 4.03 or 4.04 above, within the time period provided in Article 4, above, and complies with all obligations under this Bond, Surety's monetary obligation under this Bond is limited to the Penal Sum.

ARTICLE 9 No right of action shall accrue on this Bond to any person or entity other than Owner or its successors or assigns.

ARTICLE 10 Surety hereby waives notice of any change, alteration or addition to the Contract or to related subcontracts, design agreements, purchase orders and other obligations, including changes of time, and of any Owner action in accordance with Article 5 above. Surety consents to all terms of the Contract, including provisions on changes to the Contract. No extension of time, change, alteration, Modification, deletion, or addition to the Contract Documents, or of the Work (including services) required thereunder, or any Owner action in accordance with Article 5 above shall release or exonerate Surety on this Bond or in any way affect the obligations of Surety on this Bond, unless such action is an Owner Default.

ARTICLE 11 Any proceeding, legal or equitable, under this Bond shall be instituted in any court of competent jurisdiction where a proceeding is pending between Owner and Contractor regarding the Contract, or in the Superior Court of the County of Monterey, California, or in a court of competent jurisdiction in the location in which the Work is located. Communications from Owner to Surety under Paragraph 3.01 above shall be deemed to include the necessary agreements under Paragraph 3.02 above unless expressly stated otherwise.

ARTICLE 12 All notices to Surety or Contractor shall be mailed or delivered (at the address set forth on the signature page of this Bond), and all notices to Owner shall be mailed or delivered as provided in the Contract. Actual receipt of notice by Surety, Owner or Contractor, however accomplished, shall be sufficient compliance as of the date received at the foregoing addresses.

ARTICLE 13 Any provision in this Bond conflicting with any statutory or regulatory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein.

ARTICLE 14 Definitions

- 14.01 Balance of Contract Sum:** The total amount payable by Owner to Contractor pursuant to the terms of the Contract after all proper adjustments have been made under the Contract, for example, deductions for progress payments made, and increases/decreases for approved Modifications to the Contract.
- 14.02 Contract:** The agreement between Owner and Contractor identified on the signature page of this Bond, including all Contract Documents and changes thereto.
- 14.03 Contractor Default:** Material failure of Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract, limited to "default" or any other condition allowing a termination for cause as provided in the Contract.
- 14.04 Owner Default:** Material failure of Owner, which has neither been remedied nor waived, to pay Contractor progress payments due under the Contract or to perform other material terms of the Contract, if such failure is the cause of the asserted Contractor Default and is sufficient to justify Contractor termination of the Contract.

END OF DOCUMENT

EXHIBIT J
FORM OF PAYMENT BOND

CONSTRUCTION LABOR AND MATERIAL PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS:

- 1.01** THAT WHEREAS, Housing Authority of the County of Monterey (Owner) has awarded to Precision Construction & Property Damage Mitigation Inc as Principal, Contract Number _____ dated the _____ day of _____, 202__ (the **Contract**), in the amount of \$_____, which Contract is by this reference made a part hereof, for the work of the following Contract:

CONTRACT FOR SPECIAL SERVICES

- 1.02** AND WHEREAS, Principal is required to furnish a bond in connection with the Contract to secure the payment of claims of laborers, mechanics, material suppliers, and other persons as provided by law;
- 1.03** NOW, THEREFORE, we, the undersigned Principal and (Name of Surety), as Surety, are held and firmly bound unto Owner in the sum of 100% OF THE CONTRACT PRICE (\$_____), for which payment well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.
- 1.04** THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal, or its executors, administrators, successors, or assigns approved by Owner, or its subcontractors shall fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the State of California Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the State of California Employment Development Department from the wages of employees of Principal and subcontractors pursuant to Section 13020 of the State of California Unemployment Insurance Code with respect to such work and labor, that Surety will pay for the same in an amount not exceeding the sum specified in this bond, plus reasonable attorneys' fees, otherwise the above obligation shall become and be null and void.
- 1.05** This bond shall inure to the benefit of any of the persons named in California Civil Code Section 9100, as to give a right of action to such persons or their assigns in any suit brought upon this bond. The intent of this bond is to comply with the California Mechanic's Lien Law.
- 1.06** Surety, for value received, hereby expressly agrees that no extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder, shall in any way affect the obligation of this bond; and it does hereby waive notice of any such extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder.
- 1.07** Surety's obligations hereunder are independent of the obligations of any other surety for the payment of claims of laborers, mechanics, material suppliers, and other persons in connection with Contract; and suit may be brought against Surety and such other sureties, jointly and severally, or

against any one or more of them, or against less than all of them without impairing Owner's rights against the other.

- 1.08** Correspondence or claims relating to this bond shall be sent to Surety at the address set forth below.

IN WITNESS WHEREOF, we have hereunto set our hands this ____ day of _____, 20____.

CONTRACTOR AS PRINCIPAL

Company: (Corp. Seal)

Signature

Name

Title

Street Address

City, State, Zip Code

SURETY

Company: (Corp. Seal)

Signature

Name

Title

Street Address

City, State, Zip Code

END OF DOCUMENT

MEMORANDUM

TO: Board of Commissioners

THRU: Zulieka Boykin
Executive Director/CEO

FROM: James Maynard-Cabrera
Director of Human Resources

RE: **Human Resources Report**

DATE: September 19, 2025



Strengthening HACM Through New Leadership, Employee Recognition & Support

September has been a month of meaningful transitions and renewed momentum across the agency. The Human Resources Department has supported multiple leadership appointments, onboarded new staff into critical roles, and celebrated the advancement of internal employees stepping into permanent positions. These changes reflect our ongoing commitment to building organizational capacity, fostering professional growth, and ensuring HACM remains positioned to deliver quality service to our community.



Meredith Flug
Housing Programs Supervisor

Ruben Larios
Property Management Supervisor

We are pleased to announce the appointments of Meredith Flug as Housing Programs Supervisor and Ruben Larios as Property Management Supervisor. Meredith brings deep knowledge of HUD and Section 8 compliance along with housing development experience, while Ruben offers operational expertise and customer service leadership honed through his management background in the hospitality industry. Their addition strengthens both program oversight and property operations.

THE TIMES ARE A-CHANGING



THERE'S A LOT OF EXCITING MOVEMENT HAPPENING AT HACM,
AND WE'RE THRILLED TO SHARE THE UPDATES!

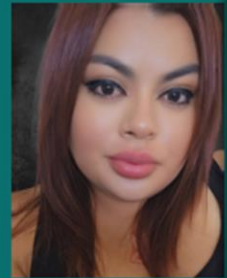
WE WELCOME FOUR NEW PROPERTY MANAGEMENT SPECIALISTS
TO OUR TEAM:

AMANDA FIGUEROA – SOUTH COUNTY RAD

MARI ALONSO NUNEZ – CASTROVILLE

ALPHONSO OCHOA – RIPPLING RIVER

EDITH RODRIGUEZ – KING CITY MIGRANT CENTER



WE'RE ALSO CELEBRATING SOME FAMILIAR FACES STEPPING INTO
NEW ROLES:

CRYSTAL CASTRO IS NOW A PERMANENT HPS

RUBY LUNA IS NOW A PERMANENT ELIGIBILITY SPECIALIST

AND IRENE CERVANTEZ IS A PERMANENT PROPERTY
MANAGEMENT SPECIALIST I AT HACIENDAS



AND IN A BIG MOVE, **MARY LOU RAYA** AND **RICARDO URSUA**
HAVE DECIDED TO TAKE ON NEW CHALLENGES BY JOINING
PROPERTY MANAGEMENT, WHERE THEY WILL BE OVERSEEING
PROPERTIES IN THE MONTEREY AREA.

CHANGE BRINGS FRESH ENERGY AND OPPORTUNITY, AND WE
COULDN'T BE MORE EXCITED FOR WHAT'S AHEAD WITH THIS
TALENTED GROUP LEADING THE WAY!



In addition, HACM welcomed four new Property Management Specialists, **Amanda Figueroa** (*top left*) – South County RAD, **Mari Alonso Nunez** (*top right*) – Castroville, **Alphonso Ochoa** (*Left, Second row*) – Rippling River, and **Edith Rodriguez** (*right, second row*) – King City Migrant Center.

We also celebrated permanent placements for **Crystal Castro**, Housing Program Specialist (*photo not taken*), **Ruby Luna**, Eligibility Specialist (*Left, third row*), and **Irene Cervantez**, Property Management Specialist I – Haciendas (*Right, third row*). Finally, **Mary Lou Raya** (*Left, fourth row*) and **Ricardo Ursua** (*Right, fourth row*) transitioned into Property Management, where they will

manage Monterey area properties. These staffing developments highlight the agency's focus on strengthening front-line operations through both new talent and internal career pathways. HR has also advanced employee support initiatives, including promoting awareness of the Employee Assistance Program (EAP) available through PRISM, and continued to encourage professional development with tools like CliftonStrengths and VIA assessments to help employees leverage their unique strengths.



Employee Spotlight – September 2025

Over the past two months, we have recognized employees who exemplify HACM's values, dedication, and commitment to excellence. These individuals have demonstrated outstanding performance, professionalism, and a positive impact on their teams, making them true role models within the organization.



Raquel Carranza

Housing Programs Specialist, HACM HCV Department

This month we are proud to recognize Raquel Carranza, Housing Programs Specialist, for her exceptional dedication and service to our Veterans Affairs Supportive Housing (VASH) participants. Raquel has become a trusted caseworker and advocate for homeless veterans, ensuring they not only receive their vouchers but also feel supported throughout the housing process. Her goal of achieving full voucher utilization directly contributes to HACM's mission of expanding housing access for some of our community's most vulnerable residents.

Raquel's work is distinguished by her ability to balance compliance with compassion. She has consistently earned positive feedback from participants, colleagues, and community partners for her professionalism, empathy, and commitment to service. Beyond her day-to-day responsibilities, Raquel strengthens partnerships with local veteran support agencies, enhancing HACM's ability to connect participants to comprehensive resources that extend beyond housing.

Her personal drive reflects the values we seek to promote across the agency. A dedicated runner preparing for her second half-marathon this November, Raquel models perseverance and discipline both inside and outside of work. These qualities inspire her colleagues and embody the spirit of continuous growth that we aim to cultivate throughout HACM.

By recognizing Raquel, we not only honor her contributions but also highlight the importance of employee dedication in advancing HACM's mission and strengthening community trust.

— NEWSLETTER —

Employee Spotlight

HOUSING AUTHORITY

SEPTEMBER, 2025

SECTION 8

MEET RAQUEL CARRANZA

**SHE'S BEEN WITH 'HACM' AS A HOUSING PROGRAMS SPECIALIST
AND IT'S TIME FOR HER TO TAKE THE SPOTLIGHT!**



WHAT IS YOUR ROLE AT OUR COMPANY?

HOUSING PROGRAM SPECIALIST

**WHAT HAS BEEN YOUR
FAVORITE PROJECT SO FAR?**

I CURRENTLY ENJOY WORKING AS THE CASEWORKER FOR ALL VASH PARTICIPANTS. I AM PASSIONATE ABOUT THE PROGRAM AND ASSISTING HOMELESS VETERANS WITH THEIR VOUCHERS. MY GOAL IS TO HAVE THE VOUCHERS FULLY UTILIZED AND CONTINUE TO SEE THE PROGRAM GROW.

**WHAT IS ONE FUN FACT ABOUT
YOURSELF?**

I AM AN AVID RUNNER. I WILL BE PARTICIPATING IN MY SECOND HALF MARATHON THIS NOVEMBER IN MONTEREY.

**WHAT IS YOUR GO-TO MEAL FOR
LUNCH?**

SOPES

RAQUEL IS A CORNERSTONE OF OUR HOUSING PROGRAMS TEAM AND HAS BEEN THE FACE OF HACM WHEN IT COMES TO SERVING OUR VASH PARTICIPANTS. HER DEDICATION AND PROFESSIONALISM HAVE EARNED CONSISTENT POSITIVE FEEDBACK FROM THE PROGRAM AND THE COMMUNITY.

RAQUEL REPRESENTS HACM WITH EXCELLENCE—BUILDING TRUST, OFFERING SUPPORT, AND ENSURING THAT PARTICIPANTS FEEL HEARD AND VALUED. HER COMMITMENT TO SERVICE IS AN EXAMPLE OF WHAT IT MEANS TO BE A TRUE REPRESENTATIVE OF OUR AGENCY.

HER IMPACT EXTENDS BEYOND HER DAILY WORK, HELPING STRENGTHEN RELATIONSHIPS WITH OUR COMMUNITY PARTNERS AND ELEVATING THE EXPERIENCE OF THOSE WE SERVE. WE'RE PROUD TO RECOGNIZE RAQUEL FOR HER DEDICATION AND THE POSITIVE DIFFERENCE SHE MAKES EVERY DAY.



HR at a Glance – Department Operational Updates

- ❖ **Recruitment & Staffing** – Key vacancies in Housing Programs and Property Management have been filled, stabilizing operations and expanding program support. HR continues to streamline onboarding processes to ensure smooth transitions for new hires.
- ❖ **Leadership Support** – With new supervisors in place, HR is coordinating with department heads to align training and performance expectations, ensuring leadership is equipped to drive team success.
- ❖ **Employee Engagement & Benefits** – Open Enrollment for 2026 benefits begins in October, with HR hosting informational sessions (SDRMA, VALIC, Empower, AFLAC) and one-on-one consultations to support employees in making informed benefit choices.
- ❖ **Employee Recognition** – The Employee Spotlight program continues to highlight staff contributions, reinforcing a culture of recognition and appreciation.



Workforce Snapshot

HACM's workforce remains strong at 74 employees, bolstered by the addition of four new hires in August and no separations—marking another month of stability in agency staffing. While the cumulative turnover rate for the first half of 2025 stands at 20.8%, HR is taking a proactive approach by analyzing department-specific trends and launching targeted engagement initiatives to improve employee retention across all units.

Tenure data continues to showcase a healthy balance of experience and fresh talent: over 30% of employees have 10 or more years of service, while nearly one-quarter have joined within the past year. This dynamic mix ensures the preservation of valuable institutional knowledge while fostering innovation and adaptability through new perspectives.

Workforce Overview

- **New Hires:** 4
- **Separations:** 0
- **Vacancies:** 1
- **Total Employees:** 81
- **Turnover Rate:** 34.5% (*January 2025 – August 2025*)

I. Workforce Demographics

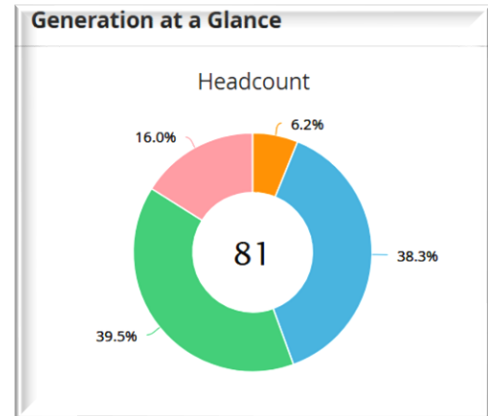
- **Employment Type:**
 - 59 Regular Hourly Employees
 - 19 Regular Salary Employees
 - 3 Temporary Employees

- **Gender Representation:**

- 55% Female
- 45% Male

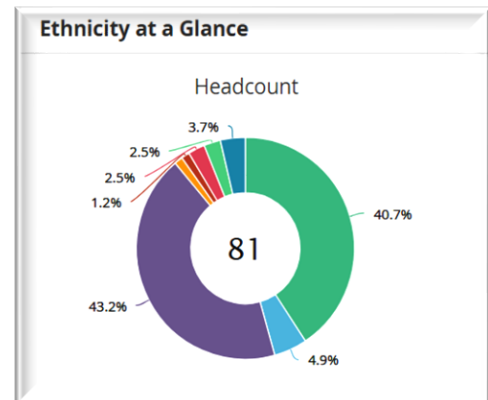
- **Generational Breakdown:**

- Baby Boomers: 6.2%
- Generation X: 38.3%
- Millennials: 39.5%
- Generation Z: 16%



II. Ethnicity Breakdown

- **Hispanic:** 41.9%
- **Black:** 2.7%
- **White:** 4.1%
- **Asian:** 2.7%
- **Native Hawaiian or Pacific Islander:** 1.4%
- **Two or More Races:** 2.7%
- **Not Defined:** 43.2%
- **Unknown:** 1.4%



⚠ Workers' Compensation & Workplace Safety

The HR Department continues to focus on reducing claims through early intervention, ergonomic assessments, and collaborative safety reviews.

❖ Workers' Compensation Overview As of August 31, 2025:

- **Total Open Claims:** 17 (↓ from 20 in July)
- **Total Closed Claims:** 466 (↑ 2 from July)
- **Total Processed Claims:** 483 (↑ 2 from July)
- **New Claims for the Period:** 1 — a medical-only claim (slip in restroom) closed in August
- **Notable Trends:** Claims continued to be concentrated on repetitive motion injuries and stress-related incidents.
 - Recent claims continue to highlight repetitive motion injuries and stress-related incidents.
 - Environmental hazards (slips/trips) remain a leading contributor, though overall claim volume has decreased compared to July.

❖ **Department-Specific Risk Areas & Targeted Solutions**

We continue to emphasize:

- Ergonomic evaluations for administrative and program staff.
 - Ongoing slip/trip/fall safety training in high-traffic areas.
 - Mental health and stress reduction support through the Employee Assistance Program (EAP).
-

September has been a month of momentum and progress across HACM. With new supervisors in Housing Programs and Property Management, the onboarding of new Property Management Specialists, and the recognition of outstanding employees like Raquel Carranza, HR continues to strengthen organizational capacity and morale.

At the same time, we remain focused on workplace safety and risk management, with August data showing a decline in open claims and proactive measures in place to address recurring hazards. Moving forward, HR's priorities are to align workforce development with HACM's strategic goals, ensure safe and supportive working conditions, and continue fostering a culture of recognition, engagement, and professional growth.

Establishing Consistency, Enhancing Efficiency, and Strengthening the Future!

MEMORANDUM

To: Board of Commissioners
 Thru: Zulieka Boykin, Executive Director
 From: Mayra Zesati, Asset Manager
 Date: September 10, 2025
 Re: Property Management Report

Occupancy

Occupancy Rate (Goal: 98%)

Property	Total Units	Offline/Exempt	Available Units	Vacant Units	Total Occupied Units	Occupancy Rate
Gonzales Family RAD	30	0	30	0	30	100.0%
King City Migrant Center*	81	0	81	3	78	100.0%
Single Family Homes	9	0	9	0	9	100.0%
One Haciendas	56	0	56	1	55	98.2%
Haciendas 2	46	0	46	0	46	100.0%
Chualar FLC	29	0	29	1	28	96.6%
Oak Grove	5	0	5	0	5	100.0%
Salinas FLC	57	0	57	0	57	100.0%
PDM	56	0	55	0	55	100.0%
Casanova Plaza	86	0	86	1	85	98.8%
Salinas Family RAD	170	0	170	3	167	98.2%
Rippling River	79	0	79	1	78	98.7%
Castroville FLC	54	0	54	0	54	100.0%
East Salinas Family RAD	202	2	200	4	196	98.0%
One Parkside	80	0	80	4	76	95.0%
South County RAD	70	0	70	3	67	95.7%
Portola Vista	64	0	64	2	62	96.9%
Haciendas 3	50	0	50	2	48	96.0%
Dai-Ichi Village (H4)	41	0	41	1	40	97.6%
Montecito Watson	13	0	13	1	12	92.3%
Total	1278	2	1275	27	1248	97.9%

King City Migrant Center

processing families still interested, season to close in November

In the Process of Housing

East Salinas Family RAD- 2
Exempt

Working with S8 to House from PBV Waitlist

Dai-Ichi Village (H4)
 Rippling River
 One Parkside

Interviewing Families

Casanova Plaza
 Portola Vista
 Montecito Watson

Haciendas 3
 South County RAD
 Salinas Family RAD
 Chualar FLC

Pending Unit Turn

One Haciendas
 Dai-Ichi Village (H4)

Wait List

Waitlist (Goal: 5x Total Units)

Property	Total Units	Total Number on Waitlist	Waitlist Goal	Performance to Goal
One Haciendas	56	2092	280	747%
Haciendas 2	46	2056	230	894%
Gonzales Family RAD	30	1465	150	977%
Salinas Family RAD	170	868	850	102%
Haciendas 3	50	775	250	310%
South County RAD	70	555	350	159%
East Salinas Family RAD	202	459	1010	45%
Salinas FLC	57	302	285	106%
Castroville FLC	54	276	270	102%
Chualar FLC	29	123	145	85%
Montecito/Watson	13	121	65	186%
Portola Vista	64	63	320	20%
Casanova Plaza	86	20	430	5%
Rippling River**	79	19	395	5%
PDM***	56	0	280	0%
Oak Grove	0	0	0	0%
One Parkside**	80	0	400	0%
Single Family Homes****	9	0	45	0%
Dai-Ichi Village (H4)**	41	0	205	0%
Total	1,192	9,194	5,960	154%

**Project Based Voucher Wait List, managed by HCV

***managed by Sun Street

Centers

****HCV wait list

Waitlists are purged annually and should be opened once exhausted

Evictions

There are 4 pending evictions

Rent Collection

Tenant Payments (Goal: 95% Rent Collection)

Property	Rent Charged	Rent Collected	Rent Adj.	Collection Rate	Rent Arrears
Rippling River	\$ 32,794	\$ 34,208		104.3%	\$ (1,267)
Portola Vista	\$ 23,840	\$ 21,134		88.7%	\$ (3,338)
Casanova Plaza	\$ 46,806	\$ 43,446		92.8%	\$ 50,956
Montecito Watson (RAD)	\$ 8,422	\$ 9,770		116.0%	\$ (16,242)
Oak Grove	\$ 5,837	\$ 5,945		101.9%	\$ (274)
Pueblo Del Mar	\$ 62,315	\$ -		0.0%	\$ 62,315
Sigle Family Homes	\$ 10,968	\$ 10,923		99.6%	\$ (2,533)
Salinas Family RAD	\$ 124,322	\$ 127,895		102.9%	\$ (855)
East Salinas Family RAD	\$ 171,124	\$ 176,269		103.0%	\$ (3,052)
South County RAD	\$ 24,511	\$ 25,326		103.3%	\$ 5,746
Gonzales Family RAD	\$ 29,072	\$ 28,910		99.4%	\$ 19,504
One Haciendas	\$ 50,043	\$ 50,434		100.8%	\$ 12,575
Haciendas 2	\$ 53,281	\$ 49,706		93.3%	\$ 29,036
Haciendas 3	\$ 40,687	\$ 38,989		95.8%	\$ 16,996
Dai-Ichi Village (H4)	\$ 13,804	\$ 14,128		102.3%	\$ (2,633)
Haciendas 3	\$ 40,130	\$ 39,960		99.6%	\$ 16,996
One Parkside	\$ 28,951	\$ 28,186		97.4%	\$ (6,115)
Castroville FLC	\$ 50,578	\$ 50,201		99.3%	\$ (7,794)
Salinas FLC	\$ 54,620	\$ 56,851		104.1%	\$ 2,102
Chualar FLC	\$ 29,118	\$ 28,811		98.9%	\$ 1,149
King City Migrant Center	\$ 27,187	\$ 25,636		94.3%	\$ 4,248
Total	\$ 928,410	\$ 866,729		93.4%	\$ 177,521

Rent & Arrears Notes:

Portola Vista - rent; under collected tenant rent portions

Casanova Plaza - Rents & Arrears; under collecting and nonpayment rents balance combination of Rent, Cable Fee's, Key & Non-Sufficient

funds between 2021-2025

* Requires thorough review of tenant ledgers

Montecito Watson - Arrears; few rent prepaids, mostly adjustments between 2019-2025 which require review for validation

Pueblo Del Mar - Rent; has not been collected, reached out to the county, processing

Gonzales Family RAD - Rent; delinquent rent, at least one unit in legal process, re-payment plans & some rent adjustments which require

review for validation

One Haciendas- Arrears; delinquent rents & charge backs (damages & PG&E billing) between 2020-2025

Haciendas 2 - Rent & Arrears; 22k delinquent rent between 2 units for recent months. 1 unit under eviction and other in review remaining delinquent balance between 2020-2025, rent and rent adjustments which require review for validation

Haciendas 3 - Rent & Arrears, delinquent rent, some units in review for legal proceedings. Rent adjustments between 2021-2025 require review for validation

King City Migrant Center- Rent; review ledger for correct billing of double units to ensure

Housing Assistance Payments (HAP) (Goal: 100% Collection)

Property	HAP Charged	HAP Collected	Adjustments	Collection Rate	HAP Arrears
Rippling River HAP	\$ 139,850	\$ 138,212		98.8%	\$ 7,178
Portola Vista HAP	\$ 106,482	\$ 95,470	\$ (18,145)	72.6%	\$ 41,388
Casanova Plaza HAP	\$ 140,295	\$ 141,284		100.7%	\$ 2,734
Montecito Watson (RAD)	\$ 4,307	\$ 4,246		98.6%	\$ -
Oak Grove HAP	\$ 3,267	\$ 3,227	\$ (2,025)	36.8%	\$ 256
Single Family Homes HAP	\$ 19,212	\$ 21,884		113.9%	\$ 546
Salinas Family RAD HAP	\$ 52,346	\$ 56,642	\$ (1,281)	105.8%	\$ (11,309)
East Salinas Family RAD	\$ 49,389	\$ 50,724		102.7%	\$ 963
South County RAD HAP	\$ 22,508	\$ 25,567		113.6%	\$ 789
Gonzales Family RAD	\$ 8,359	\$ 9,918	\$ 12,204	264.6%	\$ (2,142)
One Haciendas	\$ 70,284	\$ 71,062		101.1%	\$ (132,484)
Haciendas 2	\$ 40,017	\$ 40,280		100.7%	\$ (48,066)
Haciendas 3	\$ 69,118	\$ 70,522		102.0%	\$ (72,078)
Dai-Ichi Village (H4)	\$ 68,126	\$ 72,270		106.1%	\$ (103,334)
One Parkside	\$ 134,286	\$ 130,032	\$ 9,198	103.7%	\$ 19,527
Castroville FLC	\$ 50,003	\$ 50,002		100.0%	\$ 4,612
Salinas FLC	\$ 10,150	\$ 10,150		100.0%	\$ -
Chualar FLC	\$ 7,683	\$ 7,683		100.0%	\$ 1,713
Total	\$ 844,589	\$ 785,751	\$ (49)	93.0%	\$ 177,878

HAP Collection Notes

Portola Vista- Voucher adjustment for certs from May- July & 9 terminated certs, late.

*\$41,388 recaptured in the September Voucher

Oak Grove; s8 adjustment error, will correct and recapture funds in Sep.

Salinas Family RAD; \$13,470 adjustments in September voucher to apply towards arrears

Gonzales Family RAD; \$12,122 recaptured for 9units (late certs) 06/2025-08-2025

Haciendas 1-4; unapplied balance from 2019-2025

*thorough review to be conducted

One Parkside; balance between 2022-2025

*thorough review of billing including HAP start dates

Work Orders

Property	Total Units	Routine Work Orders	YTD Routine Work Order Completed	Average Time to Complete		Emergency Work Orders	TYD Emergency Work Orders Completed	Average Time to Complete
Rippling River	79	60	330	4		7	18	4
Pacific Meadows	200	0	0	0		0	0	0
Gonzales Family RAD	30	19	121	1		1	12	1
Fanoe Vista	44	0	44	0		0	0	0
South County RAD	70	37	231	3		0	14	1
King City Migrant Center*	81	34	181	3		1	2	1
Watson	13	9	35	1		0	1	0
PDM	56	18	174	1		1	2	1
Cassanova	86	31	214	3		6	21	1
Oak Grove	5	3	41	0		0	4	1
Portola Vista	64	22	163	8		1	13	1
Castroville FLC	54	21	143	6		1	4	1
One Parkside	80	28	109	6		2	10	1
Salinas FLC	57	26	212	2		3	6	1
Single Family Homes	9	2	31	1		0	7	3
East Salinas Family RAD	202	62	549	4		2	59	1
One Haciendas	56	7	139	4		1	11	1
Haciendas 2	46	16	188	1		1	12	1
Haciendas 3	50	18	120	1		1	5	1
Dai-Ichi Village (H4)	41	11	88	1		0	7	1
Salinas Family RAD	170	62	476	4		2	20	1
Tynan Village	171		0	0		0	0	0
Chualar FLC	29	8	66	5		1	6	1
Benito Street Affordable	70	0	0	0		0	0	0
Benito FLC	73	0	0	0		0	0	0
Monterey Street Affordable	52	0	0	0		0	0	0
Total	1888	494	3655	2		31	234	1

Recertifications

Recertifications (Goal = 0 Late)

Property	Units	Prior Months Past Due	Current Month Due	Current Mon. Completed	YTD Late
South County RAD	70	0	0	0	0
One Haciendas	56	0	0	0	0
Dai-Ichi Village (H4)	41	0	0	0	0
Haciendas 2	46	0	0	0	0
Rippling River	79	0	79	51	28
King City Migrant Center*	81	0	0	0	0
PDM	56	0	0	0	0
Cassanova	86	0	0	0	0
Oak Grove	5	0	0	0	0
Castroville FLC	54	0	0	0	0
Salinas FLC	57	0	0	0	0
Single Family Homes	9	0	0	0	0
Haciendas 3	50	1	5	2	4
Chualar FLC	29	0	0	0	0
Portola Vista	64	0	7	5	2
One Parkside	80	0	0	0	0
Monticito/Watson	13	1	0	0	1
Gonzales Family RAD	30	0	0	0	0
Salinas Family RAD	170	12	0	0	12
East Salinas Family RAD	202	0	0	0	0
Total	1888	14	91	58	47

Notes

Annual Recertifications begin 120 days prior to the effective date

Rippling River is on a Mass Annual Recertification schedule. All units are certified effective 9/1/25

*AR's pending Verifications and Calculations

Haciendas 3 in the process of closing out

Portola Vista pending docs to close AR's

Montecito Watson - pending docs to close AR

Salinas Family RAD remaining ARs from June, pending signatures for close out

Rent Café Adoption

Rent Cafe Adoption

Property	Total Units	% Registered	Num. Regd.	Num. Paying	% Paying
Haciendas 1	53	91%	48	13	27%
Castroville FLC	54	90%	49	23	46%
Salinas FLC	57	87%	45	27	60%
East Salinas Fam. RAD	202	81%	160	46	28%
Salinas Fam. RAD	170	82%	138	39	28%
South Co. Fam. RAD	70	27%	19	1	5%
Oak Grove	5	40%	2	0	0%
Single Family Homes	9	67%	6	2	33%
Haciendas 2	46	93%	43	6	14%
Gonzales Fam. RAD	30	40%	12	0	0%
Portola Vista	64	47%	30	6	20%
Haciendas 3	50	80%	41	19	46%
Chualar FLC	29	62%	18	6	33%
Dai-Ichi Village	40	72%	29	4	13%
Casanova Plaza	86	40%	34	7	21%
Montecito/Watson	13	46%	6	1	16%
One Parkside	80	66%	52	5	10%
Casanova Plaza	86	40%	34	6	18%
Rippling River	79	87%	68	14	20%
Total:	1138	87%	993	176	18%
Paid Online = \$209,203					

Audit Updates

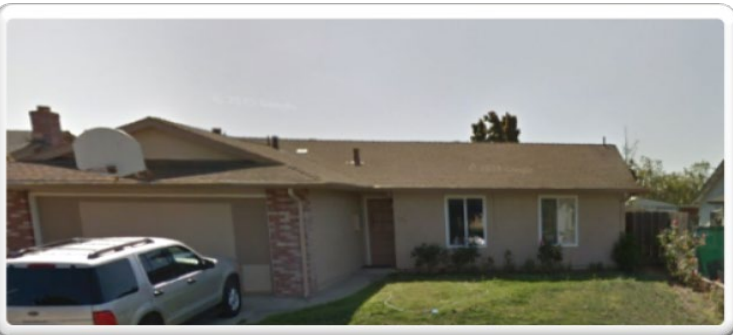
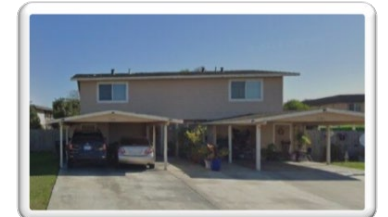
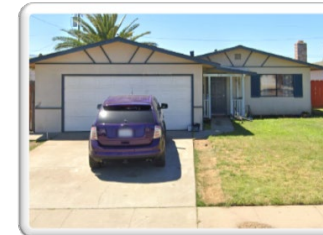
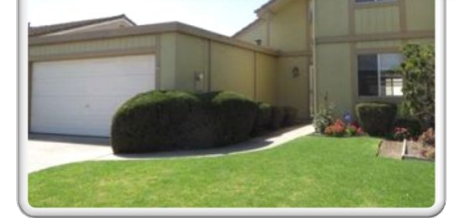
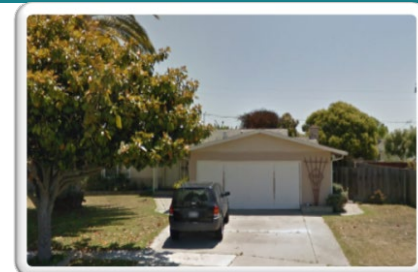
Agency	Scheduled Date	Findings	Status
City of Salinas Audit	2021, 2022 & 2023	Corrections submitted for internal review	Pending action plan approval
USDA -Salinas & Chualar FLC's	January 15, 2025	Final reports sent 03/31/2025	Pending close out letter
USDA King City Migrant Center	January 16, 2025	Final reports sent 03/31/2025	Pending close out letter
JLL Investor- Casanova Plaza	January 22, 2025	Letters received with items addressed for attention	Pending close out letter.
City of Salinas Audit: One Parkside	July 23, 2025 2022, 2023, and 2024	N/A	Submission under review
City of Salinas Audit: Haciendas 1-4	Desktop July 23, 2025	N/A	Submission under review
CREA Haciendas 3	July 29, 2025	Submission of findings on 09/02/2025	Submission under review
CCRC Haciendas 2	August 7 th , 2025	N/A	Physical inspection completed
Hudson Housing Capital: One Parkside	August 11 th 2025	N/A	Pending report/close out letter
Novogradac: HDC owned properties	July 1 st , 2025	N/A	Submission under review
Novogradac: Salinas FLC & Chualar FLC	July 1st, 2025	N/A	Submission under review
Novogradac: KCMS	July 1st 2025	N/A	Submission under review
Novogradac: PDM	July 1st, 2025		Submission under review
Novogradac: Portola vista			Submission under review
HCD – PDM	September 3, 2025	Pending findings letter	Physical inspection completed, files reviewed

The Spotlight is on: Single-Family Homes

The Authority owns 9 Single-Family homes in Salinas CA. The homes were purchased between 1989-1991 and are deed restricted. These homes, are administer under the Property Management Department, with subsidized rents to serving families who participate in the Housing Choice Voucher program. All homes are 3-bedrooms, with Garage, laundry facilities, yard space, appliances included, and the landlord pays for Garbage, Sewer and Water

FINANCIALS:

- This property is on a fiscal year
- YTD: Net Collection as of 07/2025- 08/2025 \$60,360 w/S8 HAP
- YTD: Profit of \$48,855.15; 07/2025- 08/2025
- Number of Loans: *None*



MEMORANDUM

TO: Board of Commissioners
FROM: Lucila Vera, Interim Housing Programs Director
THRU: Zulieka Boykin, Executive Director/CEO
SUBJECT: [OBJ] Housing Programs Report – June 2025
DATE: [OBJ] September 17, 2025



Executive Summary

HUD Happenings

Working with the Shortfall team and submitted shortfall funding applications for the tenant-based vouchers and Mainstream program. More information will be addressed in the Executive Director Report.

Housing Programs Updates/Concerns

The staff currently have 15 late annual certifications for the month of October 2025. There are also 66 annual recertifications that will be late as of September 30th for the month of November. All recertifications require a 30-day notice to the tenant of rental changes; therefore, the November certifications must be completed prior to October 1st. They are working to complete these before the end of the month.

There are 776 late inspections that need to be performed, and we have 328 late reexaminations in PIC. Some of the reexaminations are due to PIC error and are being corrected. The contracted inspection company will begin performing HACM/HDC owned property inspections to assist in finalizing all past due inspections for the program.

Staff Training

NSPIRE implementation has been extended to February 01, 2027, for the voucher program. The extension is to give PHA's additional time to implement the requirements. Therefore, we will send the remaining HPS Caseworkers and Supervisor for HQS training and certification to maintain daily operations. The class is web-based October 14-16, 2025.

Professionalism (Repeated Action)

Customer service is being discussed in the monthly staff meetings and with detailed instructions to improve the process.

Areas of Concerns:

Annual Recertifications – The goal is to perform certifications 60 days in advance and to clear all PIC errors to reflect accurate reporting while improving internal processes.

Annual inspections – The agency is behind by 776 annual inspections. The award from the Inspections RFP has been awarded and the contractor will begin September 2025 performing inspections for HACM/HDC owned properties. The HPS staff is responsible for annual inspections not owned by HACM/HDC as outlined in their job description.

Housing Authority of the County of Monterey HCV Report May 2025												
HCV Annual Budget Authority	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly HUD HAP Disbursements	\$7,164,978	\$7,164,978	\$7,956,528	\$7,881,501	\$8,544,962	\$7,180,407	\$9,036,189	\$9,190,473				
Monthly HAP Payments	\$8,298,398	\$8,466,016	\$8,544,684	\$8,118,632	\$8,888,785	\$8,777,697	\$8,706,598	\$8,000,000				
YTD HAP Expenditure	\$8,298,398	\$16,764,414	\$25,309,125	\$33,427,757	\$42,316,542	\$51,094,239	\$59,800,837	\$67,800,837				
Monthly HAP Difference	-\$1,133,411	-\$1,301,038	-\$588,156	-\$237,131	-\$343,823	-\$1,597,290	\$329,591	\$1,190,473				
FMC Additional Payments	0.00	0.00	\$4,063,800	0.00	0.00	\$5,471,716	0.00	0.00				
Initial 2025 Budget Authority Funding	\$79,523,680	\$79,523,680	\$79,523,680	\$79,523,680	\$79,523,680	\$79,523,680	\$79,523,680	\$79,523,680				
Voucher Utilization (Includes Mainstream and EHV)												
Voucher Allocation	5117	5117	5117	5117	5117	5117	5117	5117				
Vouchers Leased-Up	4583	4644	4666	4682	4685	4681	4663	4663				
Per Unit Cost	\$1,811	\$1,823	\$1,834	\$1,734	\$1897	\$1,875	\$1,867	\$1,715				
Eligibility												
Vouchers Issued	01	02	03	45	3	2	3	1				
Annual Reexaminations												
Completed	130	126	371	536	903	105	414	308				
Late Reexaminations	34	187	268	76	22	16	10	81				
Watchlist Programs (Utilization Under 90%)												
PBV	712	710	711	709	727	736	741	742				
FYI – this will not increase due to shortfall	14	16	17	18	18	18	18	18				
Family Self-Sufficiency Program												
Total Participating Families	130	134	136	136	149	149	148	159				
Monthly Escrow Accrued	\$35,185	\$31,524	\$31,651	\$33,043	\$29,586	\$33,344	\$32,511	\$34,148				
Escrow Balance	\$705,320	\$645,005	\$667,373.34	\$707,223.33	\$694,495.04	\$687,224	\$725,197	\$730,295				
Reasonable Accommodation												
Reasonable Accommodation Requests	66	27	33	26	20	7	11	10				
Requests Approved	63	25	15	9	13	6	7	7				
Requests Denied	3	2	18	18	7	1	4	3				

SEMAP Report August 2025					
SEMAP Indicator	Possible Points	Maximum Score	FY2024 Score	Q4 FY2025 Score	Score Notes
1. Selection from the Waiting List (QC)	0 or 15	15	15	15	
2. Reasonable Rent (QC)	0, 15 or 20	20	20	20	
3. Determination of Adjusted Income (QC)	0, 15 or 20	20	20	20	
4. Utility Allowance Schedule (QC)	0 or 5	5	5	5	
5. HQS Quality Control Inspections (QC)	0 or 5	5	5	5	
6. HQS Enforcement (QC)	0 or 10	10	10	5	
7. Expanding Housing Opportunities (QC)	0 or 5	5	5	5	
8. Payment Standards (QC)	0 or 5	5	5	5	
9. Annual Reexaminations (PIC)	0, 5 or 10	10	10	-5	PIC has internal errors that are being corrected by HUD
10. Correct Tenant Rent Calculations (PIC)	0 or 5	5	5	5	
11. Pre-Contract HQS Inspections (PIC)	0 or 5	5	5	5	
12. Annual HQS Inspections (PIC)	0, 5 or 10	10	0	-15	735 Late inspections in PIC
13. Lease-up (VMS)	0, 15 or 20	20	0	20	
14. Family Self-Sufficiency (PIC)	0, 3, 5, 8 or 10	10	N/A	N/A	
15. Bonus Indicator - Deconcentration (QC)	0 or 5	N/A	N/A	N/A	
	Total	145	115	120	
		Percentage	78%	82%	

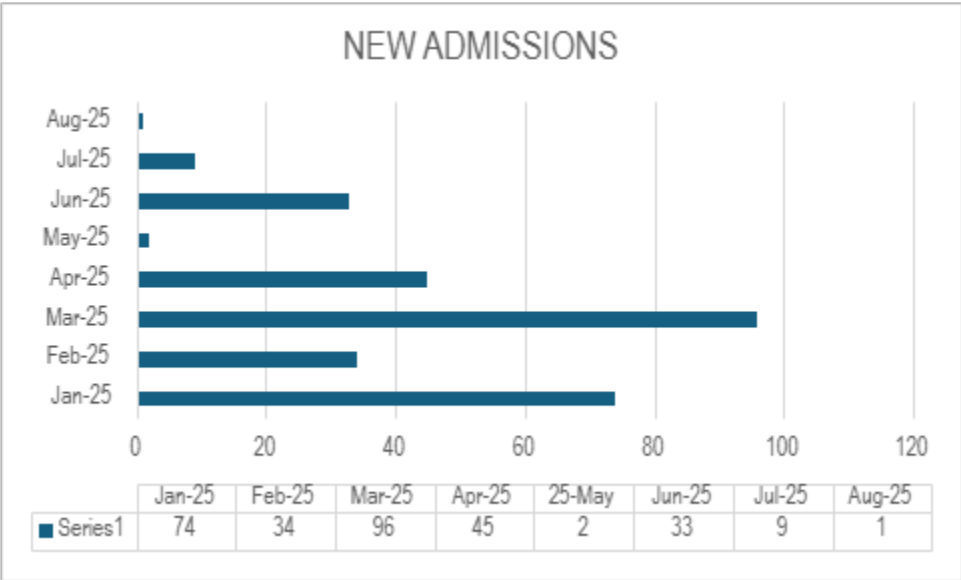
This projection depends on the agency receiving points for the FSS program. The FSS program was mandatory at one point, and we had mandatory slots which would allow us to receive points. However, this is being verified by HUD, and the reconciliation has not been completed.

If the FSS program is our total becomes 110 possible points, resulting in a possible 80. The annual certifications and inspections show a negative number for managerial purposes but for SEMAP scoring we would receive a zero. The SEMAP has been submitted, and we are awaiting score and confirmation of status from San Franscisco office.

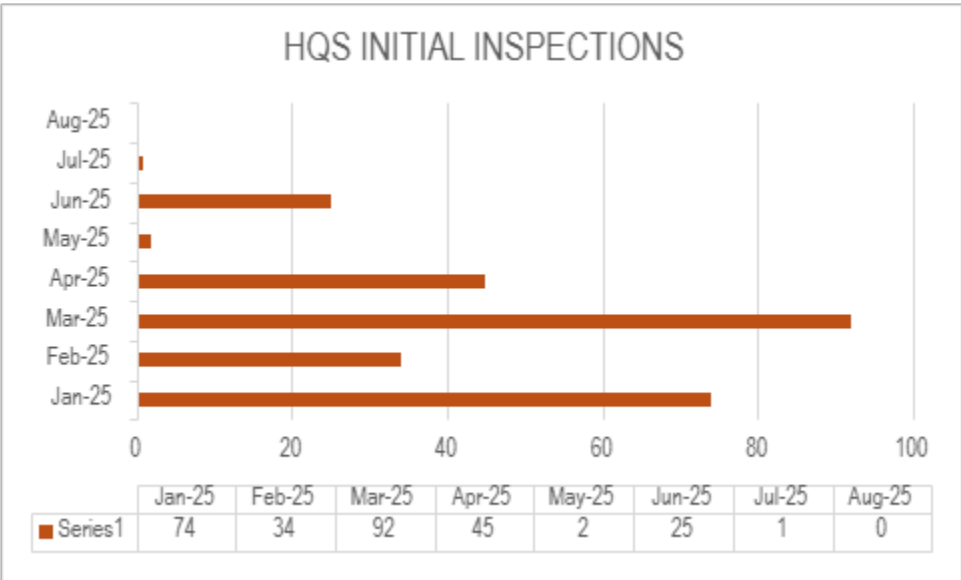
The agency received a 78% and was rated Standard for the 2024 FY; however, we did submit a Corrective Action Plan for the areas of concern. All goals on the plan was completed except the inspections.

Voucher Issuance is the number of new vouchers issued to new program participants. We are not issuing any new vouchers until the agency is no longer under Shortfall and funding is available. The graph will be included and updated once new vouchers can be issued. The number of new vouchers will be zero except for VASH and preauthorized project-based units.

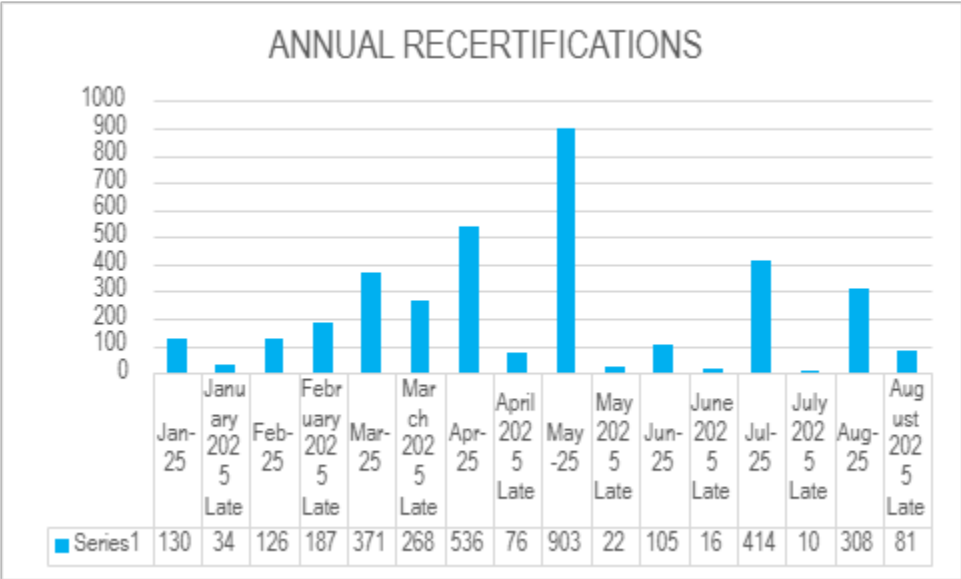
New admissions are clients that previously were issued a new voucher and have been leased in units. This is the number of new participants in the program. The numbers will not match the month issued because there is a 120-day window possible for searching.



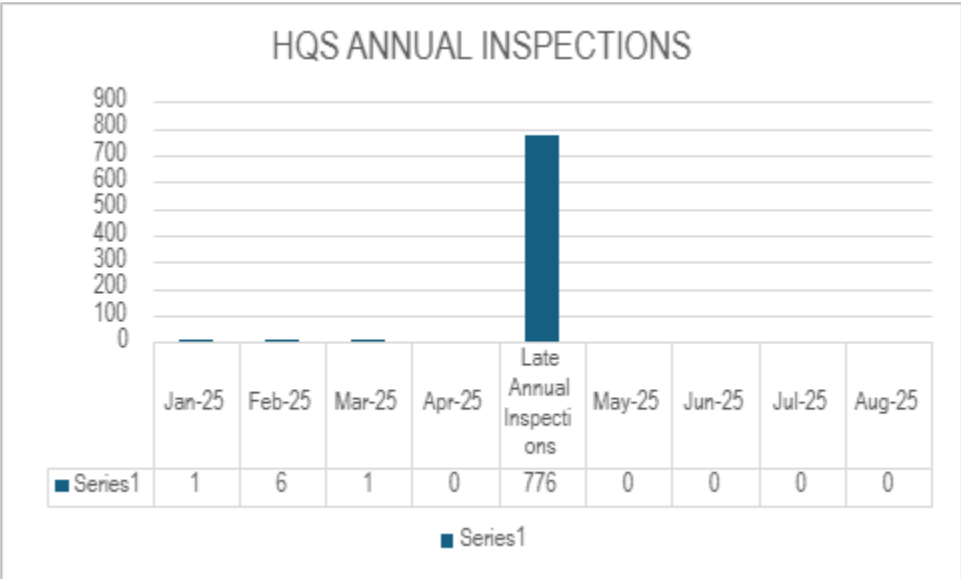
HQS Initial Inspections are the inspections performed for the newly housed participants. This number will match the number of new admissions.



Annual recertifications are processed every 12 months to ensure continued eligibility. Each annual recertification is required to have a matching inspection before the HAP contract is executed.



The HQS Annual Inspections are directly related to the number of annual recertifications processed; however, HACM is on a biennial cycle for annual inspections (every two years). We are currently behind due to processing failures. A new vendor has been selected through the RFP process, and the HPS will resume performing annual inspections.



MEMORANDUM

To: Board of Commissioners
From: Nora Ruvalcaba, Director of Development
Thru: Zulieka Boykin, Executive Director/President/CEO
Date: September 8, 2025
Re: **MONTHLY DEVELOPMENT DEPARTMENT REPORT**



Development Department Highlights

Funding/Financing

1. **Parcel B Funding – City of Salinas NOFA Submission**

As part of the Parcel B development and funding strategy, the Development team submitted an application to the City of Salinas 2025 NOFA Multifamily program on August 30, 2025.

The application is currently under review, and City staff have requested a meeting to discuss the proposed project.

2. **Senior Project – City of Greenfield**

A preliminary plan check review package has been submitted to the City of Greenfield for the proposed Senior Project.

At the August 26, 2025, City Council meeting, Greenfield City officials enacted a temporary moratorium on issuing building permits requiring new wastewater connections due to capacity constraints at its treatment plant.

The team is actively evaluating alternative solutions to move the project forward.

3. **S&P Credit Rating Process**

Due diligence for the S&P credit rating is in progress and expected to be completed by early October.

4. **Rippling River & Benito FLC – Refinancing with JPMorgan Chase**

We are finalizing due diligence for the refinancing of existing debt on Rippling River and Benito FLC.

The closing date has been extended to October due to delays in completing third-party reports (PCNA, termite and balcony inspections, and USDA approvals).

5. **One Parkside LP – Placed-In-Service & Developer Fee**

The Placed-In-Service submission to CTCAC has been approved, and 8609 forms have been issued. Executed forms have been submitted to both CTCAC and the IRS.

We are working with the Investor to complete final due diligence for the release of the remaining Developer Fee of \$240,117.

6. Construction Contracts & RFP Awards

Trade selections have been made for Asphalt/Striping/Concrete, Landscaping, Roof/Gutter Replacements, and Asbestos/Lead Abatement. Contracts are pending execution, with mobilization expected by September 15, 2025.

Remaining bids are under review and will be presented to the Executive Director and Board of Commissioners for approval.

Ownership Interest Transfers/Updates

1. Pacific Meadows GP Interest Transfer

We anticipate full ownership of the Pacific Meadows property in 30 - 60 days. We are waiting for approvals from Freddie Mac and the Department of Housing and Community Development.

2. Fairview Homekey Acquisition

To date, we have received \$2.5M from the City of Salinas and \$2.5M from the County of Monterey Behavioral Health Department for the Fairview Homekey acquisition.

We are awaiting the release of \$3M in committed funding from the Department of Housing and Community Development (HCD), pending final approval of loan terms between the City and HCD. As of August 27, 2025, the City of Salinas confirmed it has provided the required documents to the State and is awaiting final authorization.

We anticipate the acquisition to close within 30–60 days.

Active Development Projects

Division Street (One Eleven Division)

Location: Salinas

Project Type: Affordable/Workforce Housing

Units: 60

Estimated Cost: \$30.2M

Financing: Local funds, debt, land donation

Next Steps: City of Salinas ENRA approval, site plan development

Projected Operating Pro-Forma (Year 1):

Revenue:	\$2,719,812.00
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Expense:	\$2,304,836.00
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Projected Net Income:	\$414,976.00
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Funds secured to support this project to date:

Donation of Land Value:	\$1,380,000.00
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Local Housing Trust Funds:	\$1,700,000.00
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Total Funds Secured (to date):	\$3,080,000.00
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1030 Fairview

Location: Salinas

Project Type: Permanent Supportive Housing
 Units: 45
 Estimated Cost: \$8M.
 Financing: Local funds, County funds, State funds
 Projected Net Income:

Next Steps: Purchase closing, securing operating funding.

Projected Operating Pro-Forma (Year 1):

Revenue (assumes PBV):	\$1,000,350.00
<u>Expense:</u>	<u>\$968,971.00</u>
Projected Net Income:	\$31,379.00

Funds secured to support this project to date:

City HOME Funds:	\$2,500,000.00
County Funds:	\$2,500,000.00
<u>State of California Funds (estimated):</u>	<u>\$3,000,000.00</u>
Total Funds Secured:	\$8,000,000.00

Days Inn

Location: King City
 Project Type: Permanent Support Housing
 Units: 46 Units
 Estimated Cost: \$15.5M
Next Steps: RFP release and contractor selection

Projected Operating Pro-Forma (Year 1):

Revenue (assumes PBV):	\$1,418,550.00
<u>Expense:</u>	<u>\$1,314,875.00</u>
Projected Net Income:	\$103,675.00

Funds secured to support this project to date:

Encampment Resolution Funding Grant:	\$6,134,596.50
CCAH Grant:	\$5,178,680.21
CAL AIM Funding:	\$450,000.000
City Commitment of Fee Waivers:	\$420,000.00
City PLHA/General Funds:	\$510,000.00
County Health Department Construction Grant Funds:	\$300,000.00
HCD Funding:	\$2,100,000.00
<u>COC HHAP 3 Grant for Construction:</u>	<u>\$465,056.95</u>
Total Funds:	\$15,558,333.66

Las Viviendas

Location: Soledad
 Project Type: Foster Youth Housing
 Units: 4 Units
 Estimated Cost: \$2M.
Next Steps: Identify new location for the project.

Projected Operating Pro-Forma (Year 1):

Revenue (assumed PBV):	\$100,440.00
Expense:	<u>\$90,396.00</u>
Projected Net Income:	\$10,044

Funds secured to support the project to date:

Community Project Funding:	\$2,000,000.00
HHAP Round 4 Funding:	\$225,292.00
HHAP Round 5 Funding:	\$225,506.00
Youth Homelessness Demonstration Program:	<u>\$2,119,000.00</u>
Total Funds:	\$4,569,798.00

Parcel B New Construction (Partnership with Milestone Development)

Location: Salinas

Project Type: Family Housing

Units: 88

Estimated Cost: \$45.8M

Financing: LIHTC, State/local funding

Next Steps: Submission of LIHTC application to HCD**Projected Operating Pro-Forma (Year 1):**

Revenue:	\$2,046,196.00
Expense:	<u>\$1,970,315.00</u>
Projected Net Income:	\$75,881.00

Elm Street New Construction (Partnership with Milestone Development)

Location: Greenfield

Project Type: Senior Housing

Units: 65

Estimated Cost: \$33.3M

Financing: LIHTC, State/local funding

Next Steps: Submission of LIHTC application to HCD**Projected Operating Pro-Forma (Year 1):**

Revenue:	\$1,556,037.00
Expense:	<u>\$1,485,798.00</u>
Projected Net Income:	\$70,239

Potential Development Opportunities

None at this time

Development Information Sheets

Pueblo Del Mar (Attachment A) - [PDM.pdf](#)One Parkside (Attachment B) - [One Parkside.pdf](#)

Attachment A

			Pueblo Del Mar - Hope Housing is a collaborative effort between the Housing Authority of the County of Monterey and Monterey County Behavioral Health to provide an affordable short-and-mid-term residential bridge housing community that combines housing services and behavioral health services. Each participant will collaborate with the on-site care team to reach health and housing goals.	
			Site and Service Amenities include: - On-site Resident Advisors (2). - On-site Resident Support Coordinator. - On-site Nurse. - Transportation Support (1 leased vehicle). - In unit laundry hook-ups. - Unit central heating. - Private garage. - Two on-site playgrounds. - Within 1/2 mile of transportation service (MST). - Within 1 mile of a grocery store.	
Unit Type	Targeted % of AMI	Number of Units		
2 BDRM	30%	55		
Beds	30%	110		
2 BDRM	Managers's Unit	1		
Total Units:		56		
Project Description:			Affordability Targeting: 30-50% of AMI General Contractor: Development on staff GC. Property Management: HACM Total Renovation Cost: \$2,825,492	
Address: 3026-3044 Kwahakeub Court and 3048-3100 Regiment Count Marina, Ca. 93933 Project Type: Rehabilitation Number of Units: 55 Number of Beds: 110			Target Population: Homeless who have been diagnosed with mental illness and/or substance use disorders.	
Approved Grant Disbursements to Date: Renovation funds in the amount of \$2,825,492.00			Pending Grant Disbursements: Security Deposit and Rents for program duration in the amount of \$3,064,813.00	
Funding Sources:				
Behavioral Health Bridge Housing Funds (BHBH): \$5,890,305.00				
Current Project Status: NOC issued 10-27-2022 and converted to Permanent Financing 11-30-2023.				
Construction Progress:			Construction Contract Status:	
Completion Percentage:	95%		Original Contract Amount:	\$2,825,492.00
Vacancy Rate (33 Vacant):	60.00%		Approved Change Orders:	\$0.00
Rent Collection Percentage:	0.00%		Final Contract Amount:	\$2,825,492.00
Project Milestones:				
1) All units transferred to MCBH possession as of 10/1/2024. 2) Window vendor is nearing completion of window installation. Once completed the project will be closed out.				

Attachment B



One Parkside, LP is a new construction infill multifamily housing development for seniors aged sixty-two and over. The eighty one and two bedroom units replaced the forty dilapidated 1970s era units that were on the site.

Site and Service Amenities include:

- Within 1/3 mile of transit which service every 30 min.
- Within 1/2 mile of public park or community center.
- Within 1 mile of public library.
- Within 1 1/2 miles of a full-scale grocery store.
- Within 1/2 mile of medical clinic.
- Within 1/2 mile of a pharmacy.
- In-unit high speed internet service.
- On-site Service Coordinator.
- Adult ed/health & wellness/skill building classes.
- Elevator, Community Laundry Rooms, in unit laundry connections, dish washer and central air and heat.

Unit Type	Targeted % of AMI	Number of Units
1 BDRM	30%	40
2 BDRM	30%	40
1 BDRM	50%	3
2 BDRM	50%	31
1 BDRM	60%	4
2 BDRM	Managers's Unit	1
Total Units:		80

Project Description:

Address: 1108, 1110, 1112 Parkside Street
Salinas, Ca. 93906

Project Type: Acquisition/New Construction

No. of PBV's: 79

Target Population: Low-Income Seniors

Affordability Targeting: 30-60% of AMI

Architect: Paul Davis Group

General Contractor: Palisade Builders

Property Management: HACM

Total Development Cost: \$48,715,862

Approved Equity Disbursements to Date:

DDF in the amount of \$1,959,883.00

Pending Equity Disbursements:

DDF in the amount of \$240,117.00

Funding Sources:

Tax Exempt Perm Loan:	\$13,269,000.00	City of Salinas Fee Deferral:	\$394,943.00
Seller Carryback Loan:	\$4,055,000.00	HOME Funding (City):	\$957,540.00
Accrued/Deffered Interest:	\$747,459.00	PHLA Funding (City):	\$756,505.00
HDC Sponsor Loan:	\$6,984,956.00	Deferred Developer Fee:	\$1,020,900.00
HDC Sponsor Loan (2nd):	\$500,000.00	Tax Credit Equity:	\$20,597,892.00
MCHI Loan:	\$4,100,000.00		

Current Project Status: NOC issued 10-27-2022 and converted to Permanent Financing 11-30-2023.

Construction Progress:

Completion Percentage:	100%
Occupancy Percentage (3 Vacant):	96.25%
Rent Collection Percentage:	101.46%

Construction Contract Status:

Original Contract Amount:	\$25,150,331.00
Approved Change Orders:	\$1,276,477.00
Final Contract Amount:	\$26,426,808.00

Project Milestones:

- 1) The Placed-In-Service package is now in step four of the PIS review. Once this phase is completed the project will move to the final phase of IRS Tax Forms 8609's being issued.
- 2) Pending issuance of the 8609's and release of final Equity Contribution which will be the remaining DDF.

MEMORANDUM

TO: Board of Commissioners

THRU: Zulieka Boykin, Executive Director

FROM: Jin Lu, Director of Finance

RE: **July 2025 Finance Report**

Status Report: Finance Report for July 2025

DATE: September 11, 2025



Highlights:

HACM/HDC - Non-Quarterly Financial Reports

- Voucher Funding and HCV Payments is under construction.
- Department Transactions Statistics
- Revenue Sources by Property
- Balance Sheets - HACM/HDC
- Budget Comparisons – HACM (Voucher Programs included) / HDC
- Cash Analysis will be present on quarterly basis, Jun 30, Sep 30, Dec 31 and Mar31.
- YTD Revenue, Expense, Net earning Actual vs Budget - HACM/Voucher Program/HDC/Properties

Audit Status Summary

- FY 2023-2024 LP Audits – 24 of 24 Audits have been initiated, 23 finalized. (Tynan pending Only)
- FY 2024-2025 HCD and 5 other Audits' prelim work has started.
- HACM FY 24/25 YE unaudited financial data submitted to HUD on Sep10 2025 confirmed by BDO. Novo will start HACM and HDC FY24-25 audit soon

Key Departmental Activities:

- HACM FY25-26 budget was approved by Board and entered in Yardi.
- LP properties FY26 budget preparation starts, 3 due on Sep 30, the rest due on Oct 31
- Payroll allocation review on going
- The newly added 5 HDC properties increased AP work, we assigned the work to YeFei and Alex, expecting Elevate will make AP invoice processing more efficient then let YeFei go back to focus on financial specialist role.
- Decentralized warehouse procedure is under review.
- PO process is under review. Procurement team has been required to complete AddPO in Elevate to correct current PO processing.
- Elevate Payscan assignment: Invoice assigned to Finance supervise and AddPO to procurement team.
- Accounting staff and procurement staff job responsibility review on going
- Creating standard of procedure (SOP) and updating accounting policies on an ongoing basis
- Smartsheet for calendar function and tracking of projects and corporate due dates-project hold
- Once rent café becomes acceptable, “cash handling of rent in new module/scanner used by property management” will not be considered as an option.

Hi-Level Explanation of Financial Results JUL 2025 (FY2026)

(thousands of \$)

JUL						YTD					
HACM Results	Actual	Budget	Variance	%		HACM Results	Actual	Budget	Variance	%	
Revenue	\$ 10,093	\$ 9,607	\$ 486	5.1%		Revenue	\$ 10,093	\$ 9,607	\$ 486	5.1%	
Operating Expenses	\$ 9,504	\$ 6,947	\$ (2,557)	-36.8%		Operating Expenses	\$ 9,504	\$ 6,947	\$ (2,557)	-36.8%	
Other Inc/Expense	\$ 39	\$ 62	\$ 23	37.1%		Other Inc/Expense	\$ 39	\$ 62	\$ 23	37.1%	
Net Income	\$ 550	\$ 2,598	\$ (2,048)	-78.8% *		Net Income	\$ 550	\$ 2,598	\$ (2,048)	-78.8% *	

* HAP payment increased \$3M in July.

JUL						YTD					
HDC Results	Actual	Budget	Variance	%		HDC Results	Actual	Budget	Variance	%	
Revenue	\$265	\$416	\$ (151)	-36.3%		Revenue	\$265	\$416	\$ (151)	-36.3%	
Operating Expenses	\$133	\$346	\$213	61.6%		Operating Expenses	\$133	\$346	\$213	61.6%	
Other Inc/Expense	\$58	\$1	\$ (57)	-5700.0%		Other Inc/Expense	\$58	\$1	\$ (57)	-5700.0%	
Net Income	\$74	\$69	\$5	7.2% *		Net Income	\$74	\$69	\$5	7.2% *	

JUL						YTD					
Total Entity	Actual	Budget	Variance	%		Total Entity	Actual	Budget	Variance	%	
Revenue	\$ 10,358	\$ 10,023	\$ 335	3.3%		Revenue	\$ 10,358	\$ 10,023	\$ 335	3.3%	
Operating Expenses	\$ 9,637	\$ 7,293	\$ (2,344)	-32.1%		Operating Expenses	\$ 9,637	\$ 7,293	\$ (2,344)	-32.1%	
Other Inc/Expense	\$ 97	\$ 63	\$ (34)	-54.0%		Other Inc/Expense	\$ 97	\$ 63	\$ (34)	-54.0%	
Net Income	\$ 624	\$ 2,667	\$ (2,043)	-76.6% *		Net Income	\$ 624	\$ 2,667	\$ (2,043)	-76.6% *	

* HAP payment increased \$3M in July.

Attached is a table that shows what each property produces in revenue, expenses and bottomline for July 2025

HOUSING AUTHORITY BALANCE SHEET SUMMARY JUL 2025
(thousands of \$)

	<u>HDC</u>	<u>HACM</u>	<u>TOTAL</u>
CASH	\$ 9,998	\$ 24,825	\$ 34,823
INVESTMENTS	\$ 10	\$ 1,152	\$ 1,162
TOTAL CASH	\$ 9,998	\$ 25,977	\$ 35,985
RECEIVABLES	\$ 10,748	\$ 21,568	\$ 32,316
DEFERRED CHARGES	\$ 284	\$ 35	\$ 319
TOTAL CURRENT ASSETS	\$ 21,030	\$ 47,580	\$ 68,610
FIXED ASSETS (NET)	\$ 21,500	\$ 10,311	\$ 31,811
CONSTRUCTION IN PROGRESS	\$ 488	\$ 2,168	\$ 2,656
NOTE RECEIVABLE	\$ 36,072	\$ 72,360	\$ 108,432
OTHER NONCURRENT ASSETS	\$ 1	\$ 3,422	\$ 3,423
TOTAL ASSETS	\$ 79,091	\$ 135,841	\$ 214,932
CURRENT LIABILITIES	\$ 3,196	\$ 2,732	\$ 5,928
LONG TERM LIABILITIES	\$ 22,970	\$ 5,930	\$ 28,900
TOTAL LIABILITIES	\$ 26,166	\$ 8,662	\$ 34,828
RETAINED EARNINGS			
PRIOR YEAR	\$ 32,565	\$ 96,535	\$ 129,100
CURRENT YEAR	\$ 20,360	\$ 30,644	\$ 51,004
TOTAL EQUITY	\$ 52,925	\$ 127,179	\$ 180,104
TOTAL LIABILITIES & EQUITY	\$ 79,091	\$ 135,841	\$ 214,932

UNAUDITED-YTD PERFORMANCE SUMMARY FOR AGENCY JUL 25

	Actual	Budget	Actual	Budget	Tot NetActual	Tot NetBudget	Actual	Budget	Actual
	REVENUE	REVENUE	EXPENSES	EXPENSES	BOTTOMLINE	BOTTOMLINE	DEPRECIATION	DEPRECIATION	Earing before Depreciation
Starting July									
204 OAK GROVE	\$ 9,104.00	\$ 9,104.00	\$ 3,112.36	\$ 8,765.00	\$ 5,991.64	\$ 339.00	\$ -	\$ 666.00	\$ 5,991.64
205*206 PUEBLO DEL MAR	\$ 25.58	\$ 74,148.00	\$ 27,046.29	\$ 74,139.00	\$ (27,020.71)	\$ 9.00	\$ -	\$ 9,079.00	\$ (27,020.71)
212 PORTOLA VISTA	\$ 105,159.04	\$ 137,497.00	\$ 30,783.03	\$ 83,143.00	\$ 74,376.01	\$ 54,354.00	\$ -	\$ 4,059.00	\$ 74,376.01
214 MONTECITO WATSON	\$ 12,856.09	\$ 13,002.00	\$ 12,785.90	\$ 15,607.00	\$ 70.19	\$ (2,605.00)	\$ -	\$ 3,108.00	\$ 70.19
904 CHULAR FLC	\$ 34,305.75	\$ 35,321.00	\$ 13,308.41	\$ 35,318.00	\$ 20,997.34	\$ 3.00	\$ -	\$ 1,585.00	\$ 20,997.34
906 SALINAS FLC	\$ 71,778.74	\$ 67,313.00	\$ 39,234.79	\$ 67,283.00	\$ 32,543.95	\$ 30.00	\$ -	\$ 9,610.00	\$ 32,543.95
TOTAL HACM PROPERTIES	\$ 233,229.20	\$ 336,385.00	\$ 126,270.78	\$ 284,255.00	\$ 106,958.42	\$ 52,130.00	\$ -	\$ 28,107.00	\$ 106,958.42
Starting July									
400 HDC ADMIN	\$ 46,983.54	\$ 257,128.00	\$ 69,248.44	\$ 243,335.00	\$ (22,264.90)	\$ 13,793.00	\$ -		\$ (22,264.90)
552 SINGLE FAMILY HOMES	\$ 29,905.00		\$ 7,625.12		\$ 22,279.88	\$ -			\$ 22,279.88
555 CASANOVA	\$ 188,945.27	\$ 158,719.00	\$ 115,793.11	\$ 103,450.00	\$ 73,152.16	\$ 55,269.00			\$ 73,152.16
TOTAL HDC	\$ 265,833.81	\$ 415,847.00	\$ 192,666.67	\$ 346,785.00	\$ 73,167.14	\$ 69,062.00	\$ -		\$ 73,167.14
Starting January									
801 SOUTH COUNTY RAD	\$ 366,634.08	\$ 945,322.00	\$ 691,653.51	\$ 633,318.00	\$ (325,019.43)	\$ 312,004.00	\$ 171,426.85	\$ -	\$ (153,592.58)
802 SALINAS FAMILY RAD	\$ 1,271,541.23	\$ 1,156,484.00	\$ 1,800,549.68	\$ 857,248.00	\$ (529,008.45)	\$ 299,236.00	\$ 473,857.93	\$ -	\$ (55,150.52)
803 EAST SALINAS FAMILY RAD	\$ 1,617,288.99	\$ 1,500,772.00	\$ 2,050,708.29	\$ 1,092,007.00	\$ (433,419.30)	\$ 408,765.00	\$ 493,626.00	\$ -	\$ 60,206.70
804 GONZALES FAMILY RAD	\$ 250,765.85	\$ 235,704.00	\$ 404,032.61	\$ 180,180.00	\$ (153,266.76)	\$ 55,524.00	\$ 111,547.66	\$ -	\$ (41,719.10)
970*960 RIPPLING RIVER	\$ 1,204,301.96	\$ 1,970,283.00	\$ 1,470,786.30	\$ 798,048.51	\$ (266,484.34)	\$ 1,172,234.49	\$ 224,479.22	\$ -	\$ (42,005.12)
915*965 TYNAN	\$ 2,810,087.86	\$ 2,904,874.00	\$ 2,546,001.40	\$ 1,888,614.00	\$ 264,086.46	\$ 1,016,260.00	\$ 768,518.45	\$ -	\$ 1,032,604.91
925*972 BENITO FLC	\$ 680,609.61	\$ 674,121.00	\$ 990,509.99	\$ 466,298.00	\$ (309,900.38)	\$ 207,823.00	\$ 383,411.84	\$ -	\$ 73,511.46
950*973 MONTEREY AFFORDABLE	\$ 636,811.89	\$ 1,631,357.00	\$ 709,004.83	\$ 543,592.00	\$ (72,192.94)	\$ 1,087,765.00	\$ 243,226.00	\$ -	\$ 171,033.06
920*974 BENITO STREET AFFORDABLE	\$ 1,017,196.67	\$ 1,240,554.00	\$ 1,070,861.12	\$ 514,570.00	\$ (53,664.45)	\$ 725,984.00	\$ 435,120.00	\$ -	\$ 381,455.55
955*980 FANOE	\$ 862,230.27	\$ 1,318,261.00	\$ 499,527.47	\$ 454,048.00	\$ 362,702.80	\$ 864,213.00	\$ 186,607.89	\$ -	\$ 549,310.69
984 CASTROVILLE	\$ 683,191.56	\$ 727,363.00	\$ 691,232.05	\$ 628,481.00	\$ (8,040.49)	\$ 98,882.00	\$ -	\$ -	\$ (8,040.49)
985 HACIENDA 1	\$ 889,445.90	\$ 832,146.00	\$ 742,809.71	\$ 691,551.00	\$ 146,636.19	\$ 140,595.00	\$ 231,558.52	\$ 3,794.00	\$ 378,194.71
986*987 HACIENDA 2	\$ 639,606.22	\$ 743,852.55	\$ 789,304.94	\$ 476,628.11	\$ (149,698.72)	\$ 267,224.44	\$ 264,919.62	\$ -	\$ 115,220.90
988 HACIENDA SR	\$ 541,448.18	\$ 708,620.50	\$ 581,525.94	\$ 281,372.84	\$ (40,077.76)	\$ 427,247.66	\$ 198,006.06	\$ -	\$ 157,928.30
989 HACIENDA 3	\$ 753,772.10	\$ 898,035.25	\$ 1,074,684.31	\$ 353,345.37	\$ (320,912.21)	\$ 544,689.88	\$ 460,273.31	\$ -	\$ 139,361.10
990 OAK PARK 1	\$ 859,066.14	\$ 828,905.00	\$ 653,213.14	\$ 487,480.00	\$ 205,853.00	\$ 341,425.00	\$ 6,067.00	\$ -	\$ 211,920.00
991 OAK PARK 2	\$ 824,704.40	\$ 838,677.00	\$ 657,584.41	\$ 673,974.00	\$ 167,119.99	\$ 164,703.00	\$ -	\$ 2,919.00	\$ 167,119.99
992 ONE PARKSIDE	\$ 1,192,807.86	\$ 1,229,578.00	\$ 1,110,514.74	\$ 461,489.00	\$ 82,293.12	\$ 768,089.00	\$ -	\$ -	\$ 82,293.12
TOTAL LIMITED PARTNERSHIPS	\$ 17,101,510.77	\$ 20,384,909.30	\$ 18,534,504.44	\$ 11,482,244.83	\$ (1,432,993.67)	\$ 8,902,664.47	\$ 4,652,646.35	\$ 6,713.00	\$ 3,219,652.68
Starting July									
602 HR	\$ 34.50	\$ -	\$ 11,563.26	\$ 26,800.00	\$ (11,528.76)	\$ (26,800.00)	\$ -	\$ -	\$ (11,528.76)
604 FINANCE	\$ -	\$ -	\$ 81,166.69	\$ 116,799.00	\$ (81,166.69)	\$ (116,799.00)	\$ -	\$ -	\$ (81,166.69)
601 ADMIN	\$ 105,598.00	\$ 337,656.00	\$ 13,569.47	\$ 44,875.00	\$ 92,028.53	\$ 292,781.00	\$ -	\$ -	\$ 92,028.53
670 MAINTENANCE	\$ -	\$ -	\$ 10,325.87	\$ 10,074.00	\$ (10,325.87)	\$ (10,074.00)	\$ -	\$ -	\$ (10,325.87)
660 PROPERTY MANAGEMENT	\$ -	\$ -	\$ 3,922.86	\$ 6,493.00	\$ (3,922.86)	\$ (6,493.00)	\$ -	\$ -	\$ (3,922.86)
OVERHEAD	\$ 105,632.50	\$ 337,656.00	\$ 120,548.15	\$ 205,041.00	\$ (14,915.65)	\$ 132,615.00	\$ -	\$ -	\$ (14,915.65)
Starting July									
059 S8 FSS ADMIN	\$ 13,904.97	\$ 20,236.00	\$ 13,287.93	\$ 22,396.00	\$ 617.04	\$ (2,160.00)	\$ -		\$ 617.04
078 MAINSTREAM	\$ 122,472.00	\$ 116,717.00	\$ 111,790.00	\$ 118,678.00	\$ 10,682.00	\$ (1,961.00)	\$ -		\$ 10,682.00
080 EHV HOMELESS	\$ 551,884.00	\$ 592,372.00	\$ 573,853.00	\$ 597,352.00	\$ (21,969.00)	\$ (4,980.00)	\$ -		\$ (21,969.00)
PLUG ALL OTHER S8	\$ 8,836,962.03	\$ 8,331,693.00	\$ 8,489,988.51	\$ 5,686,704.00	\$ 346,973.52	\$ 2,644,989.00	\$ -		\$ 346,973.52
TOTAL SECTION 8	\$ 9,525,223.00	\$ 9,061,018.00	\$ 9,188,919.44	\$ 6,425,130.00	\$ 336,303.56	\$ 2,635,888.00	\$ -		\$ 336,303.56

TOTAL	S8	\$ 9,525,223.00	\$ 9,061,018.00	\$ 9,188,919.44	\$ 6,425,130.00	\$ 336,303.56	\$ 2,635,888.00	\$ -	\$ 336,303.56
TOTAL	HACM OTHER	\$ 567,798.64	\$ 546,611.00	\$ 353,996.41	\$ 583,507.00	\$ 213,802.23	\$ (36,896.00)		\$ 213,802.23
	TOTAL HACM	\$ 10,093,021.64	\$ 9,607,629.00	\$ 9,542,915.85	\$ 7,008,637.00	\$ 550,105.79	\$ 2,598,992.00	\$ -	\$ 43,190.00
TOTAL	HDC	\$ 265,833.81	\$ 415,847.00	\$ 192,666.67	\$ 346,785.00	\$ 73,167.14	\$ 69,062.00	\$ -	\$ 73,167.14
TOTAL	AGENCY	\$ 10,358,855.45	\$ 10,023,476.00	\$ 9,735,582.52	\$ 7,355,422.00	\$ 623,272.93	\$ 2,668,054.00	\$ -	\$ 43,190.00

Note: * all properties should have its depreciation, some are booked every month, some every year, basically the annula depreciation is consistant, no big variance.

as annual depreciation is consistant and it is non cash expense, so sometimes there is no budge for it, but at yearend, annual depreciation has to be booked.

*LP properties have large amount of accrued debt interest, either paid off on monthly basis or due when cash available. Depreciation is related to fixed assets and fixed assets built by debts.

Earning after depreciaton is to show the net income/loss, this amount will grow or reduce individual LP's accumulated retained earning.

*HACM has its decreiaiton for the main office building, most of HACM owned properties have small amount of debt except Portola Vista

REVENUE SOURCES BY PROPERTY

Jul-25

		Tenant Rental Revenue		Non Dwelling Rent		Subsidy		Type of Subsidy
		CY - 2025	FY 2024-2025	CY - 2025	FY 2024-2025	CY - 2025	FY 2024-2025	
440	Tynan Land Lease	0.00		5,184.51		0.00		Bakery / HDC Office Rental Income
		\$ -	\$ -	\$ 5,184.51	\$ -	\$ -	\$ -	
205	Pueblo Del Mar		0.00		0.00		0.00	Grant Income
903	King City Migrant		0.00		0.00		0.00	OMS
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
204	Oak Grove		9,104.00		0.00		0.00	HCV
552	Single Family Homes		30,180.00		0.00		0.00	HCV
555	Casanova		187,995.00		0.00		0.00	HCV
934	Jardines		0.00		0.00		0.00	HCV
970	Rippling River - New	174,673.00		0.00		0.00		HCV
960	Rippling River	0.00		0.00		0.00		HCV
915	Tynan Affordable - NEW	382,313.00		0.00		-2,307.00		HCV
965	Tynan Affordable	0.00		0.00		0.00		HCV
950	Monterey Aff. - NEW	93,580.00		0.00		-2,520.00		HCV
973	Monterey Affordable	0.00		0.00		0.00		HCV
920	Benito Affordable - NEW	148,605.00		0.00		1,600.00		HCV
974	Benito Affordable	0.00		0.00		0.00		HCV
955	Fanoe Vista - NEW	128,367.00		0.00		-2,520.00		HCV
980	Fanoe Vista	0.00		0.00		0.00		HCV
985	Haciendas 1	122,128.00		0.00		0.00		HCV
986	Haciendas 2	98,623.00		0.00		0.00		HCV
988	Haciendas Senior	84,671.29		0.00		0.00		HCV
989	Haciendas 3	110,750.00		0.00		0.00		HCV
990	Oak Park 1	111,910.55		0.00		12,536.00		HCV
991	Oak Park 2	118,303.00		1,400.00		0.00		HCV / USDA
		\$ 1,573,923.84	\$ 227,279.00	\$ 1,400.00	\$ -	\$ 6,789.00	\$ -	
212	Portola Vista		18,531.00		0.00		86,231.00	PBRA
214	Montecito Watson		8,641.00		0.00		4,211.00	PBRA
801	South County RAD	26,254.00		0.00		25,282.00		PBRA
802	Salinas Family RAD	132,800.61		0.00		58,010.00		PBRA
803	East Salinas Family RAD	194,548.16		0.00		50,489.00		PBRA
804	Gonzales Family RAD	34,829.00		0.00		20,405.00		PBRA
		\$ 388,431.77	\$ 27,172.00	\$ -	\$ -	\$ 154,186.00	\$ 90,442.00	
992	One Parkside	167,846.00		0.00		0.00		PBV
		\$ 167,846.00	\$ -	\$ -	\$ -	\$ -	\$ -	
904	Chualar FLC		29,539.00		0.00		3,126.00	USDA
906	Salinas FLC		54,390.00		0.00		14,379.00	USDA
972	Benito FLC	0.00		0.00		0.00		USDA
925	Benito FLC - NEW	49,634.00		0.00		41,338.00		USDA
984	Castroville FLC	49,911.19		0.00		48,241.00		USDA
		\$ 99,545.19	\$ 83,929.00	\$ -	\$ -	\$ 89,579.00	\$ 17,505.00	
TOTAL		\$ 2,229,746.80	\$ 338,380.00	\$ 6,584.51	\$ -	\$ 250,554.00	\$ 107,947.00	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Note:

Tynan Land Lease	\$ -
Tenant Rev FY Total	\$ 338,380.00
Subsidy FY Total	\$ 107,947.00
Total:	\$ 446,327.00

HACM Tenant Revenue	\$ 143,685.00
HACM Tenant Subsidy	\$ 111,214.00
HDC Tenant Revenue	\$ 58,185.00
HDC Tenant Subsidy	\$ 159,990.00
Total:	\$ 473,074.00

Variance: \$ (26,747)

***timing related

2025

July

	HAP	AF	Total
HCV	\$ 8,407,887.00	\$ 428,937.00	\$ 8,836,824.00
EHV	\$ 515,764.00	\$ 36,120.00	\$ 551,884.00
MS	\$ -	\$ 2,615.00	\$ 2,615.00
MS	\$ 112,538.00	\$ 7,319.00	\$ 119,857.00
	\$ 9,036,189.00	\$ 474,991.00	\$ 9,511,180.00

Voucher Funding and HCV Payments

	31-May	30-Jun	31-Jul	Total
HUD Grant - HAP Payments	\$ 8,075,129	\$ 12,652,123	\$ 9,036,189	\$ 29,763,441
Total Housing Assistance Payments	\$ 8,782,739	\$ 8,417,641	\$ 8,946,531	\$ 26,146,911

Finance Transactional Statistics July 2025	HCV		AP		TOTALS	
	Transactions	Amounts	Transactions	Amounts	Transactions	Amounts
Receipts	39	\$ 23,161	2455	\$ 1,718,272	2494	\$ 1,741,433
Charges	64	\$ 18,337	2898	\$ 1,646,119	2962	\$ 1,664,457
Journal Entries	327	\$ 101,718	513	\$ 24,834,677	840	\$ 24,936,395
Payables	5318	\$ 8,721,013	916	\$ 2,133,186	6234	\$ 10,854,199
Checks	1757	\$ 9,095,875	286	\$ 3,237,893	2043	\$ 12,333,769
Transaction Amts Processed*	7505	\$ 17,960,105	7068	\$ 33,570,148	14573	\$ 51,530,252



CLOSED SESSION



COMMISSIONER COMMENTS

&

ADJOURNMENT