

REQUEST FOR PROPOSALS
5841
Third Party Property Management Master Services Agreement

The Seattle Housing Authority (SHA) is seeking Proposals from qualified consultants for property management services at our market-rate properties as well as those participating in the Low-Income Housing Tax Credit (LIHTC), HUD Project Based Rental Assistance (PBRA) and HUD Project Based Voucher (PBV) programs. Additionally, SHA may wish to utilize this master agreement to provide property management due diligence support services and transition services in the months leading up to an acquisition closing and property takeover. SHA currently utilizes third party management services for three unsubsidized properties, totaling 484 units. In 2024, SHA's acquisition team hopes to acquire two additional properties, totaling 171 unsubsidized units and 62 subsidized units.

Pre-Submission Conference: SHA will hold a Pre-Submission Conference on Tuesday, October 24, 2023 at 11 am PDT and potential proposers can join the MS Teams Meeting by dialing (audio only) 1-206-257-3799 and entering the Conference ID number 25346379#. If you have MS Teams and would like to join the meeting virtually, please e-mail Sadia Ikram, Sr. Contract Administrator at sadia.ikram@seattlehousing.org and you will be sent an invitation to join.

Obtaining the RFP: Visit our website at <https://www.seattlehousing.org/do-business-with-us/solicitations> to obtain a copy of the RFP. Any addenda issued for this RFP will be published at the above-referenced website and proposers are responsible for checking the website prior to submission of proposals for any addenda. If you are unable to download the RFP or addenda, you may email Sadia Ikram, Sr. Contract Administrator at sadia.ikram@seattlehousing.org

Questions: Any questions or requests for further information must be submitted in writing no later than 02:00pm, on Thursday, October 26, 2023, to the Sr. Contract Administrator noted above by e-mail at sadia.ikram@seattlehousing.org

Submission Deadline: Proposals must be received not later than 02:00pm, on Monday, November 13, 2023, at sadia.ikram@seattlehousing.org

Diversity: SHA strongly encourages minority-owned and women-owned businesses, socially and economically disadvantaged businesses, HUD Section 3 businesses, small businesses and veteran-owned businesses to submit proposals or to participate in a subcontracting capacity on SHA contracts.

Rights Reserved: SHA reserves the right to waive as an informality any irregularities in submittals, and/or to reject any and all proposals.

Michael Tarantino
Acting Deputy Director of Contracts and Procurement

CONSULTANT REGISTRATION FORM

If you plan on submitting a Proposal for this project, please complete this registration form and e-mail it to Sadia Ikram, Sr. Contract Administrator at sadia.ikram@seattlehousing.org so that you can be contacted directly if necessary.

SEATTLE HOUSING AUTHORITY

RFP No. 5841

Third Party Property Management Master Services Agreement

Name of Firm: _____

Business Address: _____

Contact Information:

Name: _____

Title: _____

Telephone #: _____

Fax #: _____

e-mail: _____

Thank you.



REQUEST FOR PROPOSALS

(RFP NO. 5841)

for

Third Party Property Management Master Services Agreement

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ATTACHMENTS:

A. FORMS:

- Vendor Fact Sheet
- Suspension and Debarment Compliance Certificate for Consultant
- Suspension and Debarment Compliance Certificate for Sub-Consultants (if applicable)
- Certifications and Representations of Offerors – Non-Construction Contract (form HUD-5369-C)
- For-Profit Subgrantee and Contractor Certifications and Assurances Form

B. Informational Exhibit

- Boilerplate for Consultant Contract
- SHA Form Property Management Agreement (Residential)
- HUD Section 3 information and forms

RFP Issued On:	Proposal Due:
Tuesday, October 10, 2023	2:00 pm on Monday, November 13, 2023

Seattle Housing Authority
Request for Proposals (RFP No. 5841)
Third Party Property Management Master Services Agreement

A. INTRODUCTION

1) General:

The Seattle Housing Authority (SHA) is seeking Proposals from qualified consultants for property management services at our market-rate properties as well as those participating in the Low-Income Housing Tax Credit (LIHTC), HUD Project Based Rental Assistance (PBRA) and HUD Project Based Voucher (PBV) programs. Additionally, SHA may wish to utilize this master agreement to provide property management due diligence support services and transition services in the months leading up to an acquisition closing and property takeover. SHA currently utilizes third party management services for three unsubsidized properties, totaling 484 units. In 2024, SHA's acquisition team hopes to acquire two additional properties, totaling 171 unsubsidized units and 62 subsidized units.

2) Seattle Housing Authority Background: SHA is a public body corporate and politic that provides affordable housing to about 34,000 low-income people in Seattle. SHA operates according to the following Mission and Values:

Our Mission

Our mission is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low-income.

Our Values

As stewards of the public trust, we pursue our mission and responsibilities in a spirit of service, teamwork, and respect. We embrace the values of excellence, collaboration, innovation, and appreciation.

The mission of the Seattle Housing Authority is to enhance the Seattle community by creating and sustaining decent, safe, and affordable living environments that foster stability and self-sufficiency for people with low incomes. SHA provides long-term, low-income rental housing and rental assistance to more than 34,000 people in Seattle. SHA owns and operates approximately 8,000 units at nearly 400 sites throughout the city. SHA also administers more than 10,000 Housing Choice Vouchers, enabling low-income residents to receive rental assistance throughout the Seattle housing market. SHA, an independent public corporation established in 1939, is governed by a seven-member Board of Commissioners, two of whom are SHA residents. Commissioners are appointed by the Mayor and confirmed by the City Council. More information is available at www.seattlehousing.org.

3) Women and Minority Business Enterprise (WMBE) Inclusion: SHA requires proposers to make good-faith efforts to meet SHA's 14% aspirational WMBE goal and provide meaningful opportunities to WMBE firms to participate in the direct performance of commercially useful work as part of the proposed Project Team.

- 4) **Race and Social Justice Initiative (RSJI):** SHA is committed to advancing racial and other social justice equity and has a focused affirmative plan to educate staff on the effects of racism and other oppressions on the work of SHA, our employees, residents, and stakeholders; and to eliminate institutional racism and other oppressions at SHA.
- 5) **Cooperative Purchasing:** RCW 39.34 allows cooperative purchasing between public agencies (political subdivisions) in the State of Washington. Public agencies that file an Interlocal Joint Purchasing Agreement with SHA may also wish to procure the services herein offered by the successful party. The successful party shall have the option of extending its offer to SHA to other agencies for the same cost, terms and conditions.

SHA does not accept any responsibility for agreements, contracts or purchase orders issued by other public agencies to the successful party. Each public agency accepts responsibility for compliance with any additional or varying laws and regulations governing purchase by or on behalf of the public agency. SHA accepts no responsibility for the performance of the successful party in providing services to other public agencies, nor any responsibility for the payment price to the successful party for other public-agency purchases.

B. SUBMITTAL REQUIREMENTS

Schedule:

Activity	Location	Day	Date	Time
Pre-Submittal Meeting	Potential proposers can join the MS Teams Meeting by dialing (audio only) 1-206-257-3799 and entering the Conference ID number 25346379# If you have MS Teams and would like to join the meeting virtually, please e-mail Sadia Ikram, Sr. Contract Administrator at sadia.ikram@seattlehousing.org and you will be sent an invitation to join.	Tuesday	10/24/23	11:00 am
Deadline for Questions	E-Mail	Thursday	10/26/23	2:00 pm
SUBMITTAL DEADLINE AND DELIVERY INFORMATION				
E-Mail to: Sadia Ikram at Sadia.Ikram@seattlehousing.org		Monday	11/13/23	2:00 pm

Questions: Questions must be in writing and sent prior to the Deadline for Questions date and time shown above. Submit your questions to Sadia Ikram at Sadia.Ikram@seattlehousing.org.

Addenda: In the event there are changes or clarifications to this RFP, SHA will issue an addendum. Addenda will be published on SHA’s website at:

<https://www.seattlehousing.org/do-business-with-us>. It is the responsibility of proposers to check this website before submitting and downloading any addenda issued. If you are unable to download the addenda, you may e-mail the Sr. Contract Administrator, Sadia Ikram at sadia.ikram@seattlehousing.org to have a copy of the addenda e-mailed to you.

Pre-Submittal Meeting: Proposers are strongly encouraged to attend a Pre-Submittal Meeting at the date and time indicated above.

Submittal: The deadlines given above are firm as to place, date, and time. SHA will not consider any proposal received after the deadline.

All proposals should be clearly marked when e-mailed to avoid any confusion about recording arrival dates and times. Proposers should take this practice into account and submit their materials early to avoid any risk of ineligibility caused by unanticipated delays or other delivery problems. *NOTE: A faxed or hand delivered proposal is not acceptable.*

All proposals received will become the property of the Seattle Housing Authority and will not be returned to the Proposer.

Proposals should be limited to a maximum of 10 pages single sided, or 5 pages double sided in no smaller than 12-point font on 8½” by 11” sheets. The following are NOT INCLUDED in the page limit mentioned above: your cover letter, vendor fact sheet, resumes, Certifications and Representations of Offerors – Non-Construction Contract (form HUD-5369-C), the Suspension and Debarment Certificate for Consultant, and any applicable Section 3 form(s). Your **cover letter** should express your interest in performing the work. A principal or officer of the firm authorized to execute contracts or other similar documents on the firm’s behalf must sign the letter.

1) **Required number of copies:** Proposers responding to this RFP shall submit their proposal to the e-mail address indicated above. **The following items/forms are to be submitted as a separate file and not included in your Proposal.** Do not include these items/forms in the proposal.

- Price / Rates
- Vendor Fact Sheet Section 3, Business Certification and Resident Employment Plan Form
- Suspension and Debarment Compliance Certificate for Consultant
- Suspension and Debarment Compliance Certificate for Sub-Consultants
- Certifications and Representations of Offerors (form HUD-5369-C)
- For-Profit Subgrantee and Contractor Certifications and Assurances Form

2) **Proprietary Proposal Material:**

Any records or materials submitted to SHA in response to this RFP become public records under Washington State law (see RCW Chapter 42.56, the Public Disclosure Act, at <http://www1.leg.wa.gov/LawsAndAgencyRules>). Public records must be promptly disclosed upon request unless a statute exempts disclosure. Exemptions from disclosure include trade secrets and valuable formulas (see RCW 42.56 and RCW Ch. 19.108); however, public disclosure exemptions are

narrow and specific. Proposers are expected to be familiar with any potentially applicable exemptions, and the limits of those exemptions.

Proposers are obligated to separately bind and clearly mark as “proprietary” information any proposal records they believe are exempted from disclosure. The body of the proposal may refer to these separately bound records. Proposers should mark as “proprietary” only that information they believe legitimately fits within a public-disclosure exemption. SHA may reject solicitation responses that are marked proprietary in their entirety.

If SHA receives a public disclosure request for records that a Proposer has marked as “proprietary information,” SHA may notify the Proposer of this request and postpone disclosure briefly to allow the Proposer to file a lawsuit under RCW 42.17.330 to enjoin disclosure; however, this is a courtesy of SHA and not an obligation.

SHA has no obligation to assert an exemption from disclosure. If the Proposer believes that its records are exempt from disclosure, the Proposer is obligated to seek an injunction under RCW 42.56. By submitting a proposal, the Proposer acknowledges this obligation; the Proposer also acknowledges that SHA will have no obligation or liability to the Proposer if the records are disclosed.

- 3) **Cost of Preparing Proposals:** SHA will not be liable for any costs incurred by the Proposer in the preparation and presentation of proposals submitted in response to this RFP including, but not limited to, costs incurred in connection with the Proposer’s participation in demonstrations and the pre-proposal conference.
- 4) **Rights Reserved by SHA:** SHA reserves the right to waive as an informality any irregularities in submittals and/or to reject any or all proposals. SHA requests that companies refrain from requesting public disclosure of selection information until a contract has been executed as a measure to best protect the solicitation process, particularly in the event of a cancellation or re-solicitation. With this preference stated, SHA shall continue to properly fulfill all public disclosure requests for such information as required by State Law.

C. SCOPE OF WORK

Background

SHA currently utilizes third party management services for three unsubsidized properties, totaling 484 units. In 2024, SHA’s acquisition team hopes to acquire two additional properties, totaling 171 unsubsidized units and 62 subsidized units. For this solicitation, SHA is seeking to procure a Master Services Agreement for property management services at our market-rate properties as well as those participating in the Low-Income Housing Tax Credit (LIHTC), HUD Project Based Rental Assistance (PBRA) and HUD Project Based Voucher (PBV) programs. Additionally, SHA may wish to utilize this master agreement to provide property management due diligence support services and transition services in the months leading up to an acquisition closing and property takeover.

Services

Given the increasing scale of SHA’s housing portfolio, SHA is seeking a third-party property management service provider to manage one or more of the properties listed below. Since additional properties may be acquired in the future, SHA is seeking to establish a master service contract that includes a flexible management fee matrix to allow for individual management contracts to be awarded for one or more of these properties, and possibly additional properties in the future. SHA expects that management fees will vary depending on property size and management complexity. For transition or due diligence support services, we seek a fixed fee structure.

Property Name	Status	Unit Count	AH Program
Wedgewood Estates	SHA Owns	204	N/A
Spring Lake Apartments	SHA Owns	69	N/A
Northgate Plaza	SHA Owns	211	N/A
Balance of Acquisition Program Goal	In Underwriting Process	233	PBRA (62 Units)
Total		717	

Property Management Services

The types of property management services that may be requested from the Service Provider awarded under this master contract with SHA include but are not limited to:

- Operating budget preparation.
- Development and/or implementation of management plans for each managed property.
- Residential leasing strategy and administration, including management of the application process, occupancy, waiting lists, rules and operating policy alternatives.
- Property bank account setup and administration.
- Property income collection.
- Recruitment and training of site-based property management support staff.
- Residential property management, including but not limited to oversight of site-based maintenance staff and management of outside contracts.
- Preventative maintenance planning and implementation services.
- Capital budgeting support in the form of reserve account forecasting and project recommendations to SHA.
- Delivery of monthly, quarterly, and annual financial reports.
- Delivery of monthly rent rolls.
- Ongoing review of property for tenant safety and owner liability issues.

Due Diligence Services

The types of due diligence support services that may be requested from the Service Provider awarded under this master contract with SHA include but are not limited to:

- Lease File Audit:
 - Verify accuracy of rent rolls, total household members, move-in dates, current rents, lease charges and concessions.
 - Verify resident deposits, security deposit, pet deposit etc.
 - Verify delinquent tenant balances and collections status.
 - Verify all households receiving rent subsidies.
- Interior Unit Inspection:

- Condition of flooring; carpet, vinyl etc.
- Condition of cabinets.
- Condition of countertops.
- Condition of appliances.
- Evaluation of wall and ceiling surfaces – damage, moisture, staining etc.
- Evaluation of windows and doors – damage, missing screens, moisture etc.
- Evaluations of plumbing fixtures – toilets, sinks, tub/shower.
- Exterior Unit Inspection:
 - Cursory non-intrusive visual inspection exterior surfaces.
- Preparation of capital improvement budget (preliminary only) – list of recommended projects and high-level estimated cost.
- Proforma operating budget based upon actual past financial reports and projected operating costs.
- Market study.

D. INFORMATION TO BE PROVIDED IN YOUR PROPOSAL

Response / Proposal Content: To facilitate evaluation, proposals should address and be organized in the order of the outline given below and include the following information:

- Cover Letter
- Address each of the evaluation criteria below:
 - **Relating to Criterion 1: Women and Minority Business (WMBE) Inclusion Plan**
Provide a detailed Inclusion Plan describing your good-faith efforts to meet the aspirational WMBE goal and provide meaningful opportunities to WMBE firms to participate in the direct performance of commercially useful work as part of the proposed Project Team. Your Plan must also include, if applicable, pre-award commitments or agreements with your named WMBE and/or Project Team members' firm(s).
 - **Relating to Criterion 2: Race and Social Justice Initiative (RSJI)**
Selected applicants describe how they will
 - Ensure the outreach plan is designed to reach people from diverse racial, ethnic, and cultural backgrounds, including those who do not speak English
 - Employ strategies to provide interpretation and translation services for residents in target buildings and communities as part of their outreach efforts and programming/services
 - Address expectations for cultural competency training and responsiveness as part of the programming/services development of staff members
 - Take measures to actively engage people from marginalized communities and ensure their needs are addressed.
 - **Relating to Criterion 3: Firm's Experience in Managing Affordable and Market Rate Multifamily Rental Properties**
Evaluation will be based upon documentation provided supporting the firm's experience with managing rental properties. Specifically, the following areas of competency will be rated:

- Experience managing both affordable and market rate multifamily properties in the Puget Sound region of Washington State.
- Experience developing and implementing management plans for each managed property.
- Knowledge of both State and Seattle Landlord Tenant laws, Fair Housing laws and experience serving diverse populations including seniors and those having disabilities.
- Knowledge of mixed used building compliance and reporting requirements; PBRA, PBV, HCV, LIHTC etc.
- Experience with recruitment and training of site-based property management support staff.
- Established risk management procedures; processes and procedures in place to mitigate risk and liability to residents, property, and ownership.

- **Relating to Criterion 4: Firm's Experience in Providing Additional Management Services**

Evaluation will be based upon documentation provided supporting the firm's experience in providing the following additional management services:

- Experience with due diligence and take over services (due diligence services as outlined in the scope of work). -
- Construction and/or project management services or facilitation support; inhouse or outsourced.

- **Relating to Criterion 5: Firm's Experience in Finance and Accounting Services Including Budget Preparation**

Evaluation will be based upon documentation provided demonstrating accounting and finance services and experience. Specifically, the following areas of service will be rated:

- Indicate accounting methods utilized and provide examples of standard reporting format.
- Ability to adjust and prepare reports that comply with SHA operational or compliance requirements.
- Provide specific examples of the firm's experience in preparing annual operating budgets.
- Experience with capital budgeting support in the form of reserve account forecasting and project recommendations to SHA.
- Process for rent collection and managing delinquent accounts.
- Experience providing detailed cost estimates and cost tracking.
- Process for ensuring timely vendor payments.
- Delivery of monthly, quarterly, and annual financial reports.
- Experience with bank account setup and administration.

- **Relating to Criterion 6: Firm's Experience in Practices Around Maintenance and Occupancy Management.**

Evaluation will be based upon documentation provided supporting the firm's standard operating procedures in the following areas:

- Process and timeline for work order intake and completion tracking.
- Process and timeline for unit turnover completion and quality control inspection protocols.

- Experience developing preventative maintenance plans and schedules.
- Indicate leasing strategy, including management of the application process, maintaining high occupancy, managing waiting lists and lease-up procedure.
- Processes for managing tenant issues and lease infractions.

- **Relating to Criterion 7: Prices/Rates.**

Evaluation will be based upon documentation provided supporting the firm’s fee structure:

- Please indicate monthly per unit price for all services outlined within the scope of work.
- Please indicate any other fees or profit-sharing structures applicable to any contract for services.
- Please indicate fee structure for any secondary services, due diligence, project management, construction services etc.

E. CONSULTANT EVALUATION CRITERIA

Consultants’ submittals will be evaluated based on the criteria listed in this section and further described in Section D above. In preparing the submittal to SHA, it is important for proposers to clearly demonstrate their expertise in the areas described in this document. Because multiple areas of expertise are required for successfully performing this project, the Consultant, either through in-house staff or sub-consultants, must demonstrate expertise and have available adequate numbers of experienced personnel in all of the areas described.

Consultants are encouraged to identify and clearly label in their submittal how each criterion is being fully addressed. Evaluation of responses to this RFP will be based only on the information provided in the submittal package, and if applicable, interviews, and reference responses. SHA reserves the right to request additional information or documentation from the firm regarding its submittal documents, personnel, financial viability, or other items in order to complete the selection process. In submitting a proposal, the Consultant and any sub-consultants agree that any costs, prices, hourly rates proposed shall be valid for a minimum of 90 days from the proposal due date.

The following criteria with a point system of relative importance with an aggregate total of one hundred eleven points will be utilized to evaluate the qualifications of each proposer:

Evaluation Criteria – Qualifications		Weighting (Max. Points)
1	<u>Women and Minority Business Enterprise (WMBE) Inclusion Plan</u> (See Section D above for a complete description of this Criterion.)	10
2	<u>Race and Social Justice Initiative (RSJI)</u> (See Section D above for a complete description of this Criterion.)	10
3	<u>Firm’s Experience in Managing Affordable and Market Rate Multifamily Rental Properties.</u> (See Section D above for a complete description of this Criterion.)	30
4	<u>Firm’s Experience in Additional Management Services</u> (See Section D above for a complete description of this Criterion.)	20

5	<u>Firm's Experience in Finance and Accounting Services Including Budget Preparation</u> (See Section D above for a complete description of this Criterion.)	20
6	<u>Firm's Experience and Description of Practices around Maintenance and Occupancy Management</u> (See Section D above for a complete description of this Criterion.)	20
7	<u>Prices/Rates</u> (See Section D above for a complete description of this Criterion.)	15
MAXIMUM TOTAL POINTS		125

F. SELECTION PROCESS

An evaluation panel will rate all responses to this RFP that are received on or before the stated deadline, according to the criteria listed above. Based on its initial evaluation, the panel may:

1. Make a recommendation to SHA's Executive Director and request authority to negotiate a Contract with one or more proposers; or
2. Request additional information from the proposer or proposers whose responses appear to have the greatest likelihood of success; and/or
3. Invite one or more proposer whose responses appear to have the greatest likelihood of success to attend an interview/presentation to discuss their proposal; and then make a recommendation to SHA's Executive Director and request authority to negotiate a contract with one or more proposers.

SHA reserves the right to conduct reference checks at any time during the evaluation process.

In the event that information obtained from the reference checks reveals concerns about any proposer's past performance and their ability to successfully perform the contract to be executed based on this RFP, SHA may, at its sole discretion, determine that the Proposer is not a responsible proposer and may select the next highest-ranked Proposer whose reference checks validate the ability of the Proposer to successfully perform the contract to be executed based on this RFP. In conducting reference checks, SHA may include itself as a reference if the Proposer has performed work for SHA, even if the Proposer did not identify SHA as a reference.

By submitting its proposal in response to this RFP, the consultant accepts the procurement method used and acknowledges and accepts that the evaluation process will require subjective judgments by SHA and the evaluation panel.

Any protest of the selection process shall be resolved in accordance with SHA's Procurement Policies, which may be reviewed at the following web site address:

<https://www.seattlehousing.org/sites/default/files/Procurement%20Policies.pdf>

G. CONTRACT NEGOTIATIONS

SHA shall negotiate with the most qualified Proposer or Proposers, as determined by evaluation of the responses and, if applicable, interviews. If SHA is unable to reach agreement with any of the highest ranked firms, it may negotiate with the next highest ranked firm or firms, proceeding in turn to each firm that SHA has determined to be qualified, in order of rank. If agreement cannot be reached with any qualified firm, SHA reserves the right to cancel the solicitation.

SHA expects to execute one or more Contracts for services for one year. At SHA's option, a Change Order may be executed extending the Contract(s) for up to four additional one-year periods, along with appropriate adjustments in the scope of work and compensation.

H. ADMINISTRATIVE INFORMATION

- 1) **Small and/or Disadvantaged Business Enterprise Requirements:** SHA strongly encourages minority-owned and women-owned businesses, socially and economically disadvantaged business enterprises, HUD Section 3 businesses, small businesses, and veteran-owned businesses to submit proposals, to participate as partners, or to participate in other business activity in response to this RFP.

As outlined in more detail in Section D, SHA has also included a 14% Women and/or Minority Business Enterprise (WMBE) aspirational participation goal. Consequently, in responding to the solicitation, submitters must include an Inclusion Plan demonstrating good faith efforts in seeking meaningful opportunities for WMBEs in the work of the Contract.

- 2) **Section 3 Requirements:** Section 3 of the Housing and Urban Development Act of 1968 (hereinafter "Section 3") requires SHA to the greatest extent feasible to provide employment opportunities to Section 3 residents. Section 3 residents include residents of SHA communities and other low-income residents of Seattle.

A. **Section 3 Contract Language:** The following language regarding Section 3 will be included as part of the contract to be executed based on this RFP.

1. The work to be performed under this contract is subject to the requirements of the Section 3 Laws. The purpose of the Section 3 Laws is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by the Section 3 Laws, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
2. The parties to this contract agree to comply with the Section 3 Laws. Without limiting the generality of the foregoing, Consultant shall comply, and shall require its subcontractors and subconsultants to comply, with the requirements of 24 CFR 75.9. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Section 3 Laws.
3. The Consultant agrees to include this Section 3 clause in every subcontract, and to otherwise take all necessary steps to ensure compliance with the Section

3 Laws by its subcontractors and subconsultants. The Consultant agrees to take appropriate action, as provided in an applicable provision of the subcontractor in this Section 3 clause, upon a finding that the subcontractor or subconsultant is in violation of the Section 3 Laws. The Consultant will not subcontract with any subcontractor or subconsultant where the Consultant has notice or knowledge that the subcontractor or subconsultant has been found in violation of the Section 3 Laws.

4. The Consultant will provide certifications in form and substance required by Owner at such times as Owner may request, certifying (i) its compliance with the Section 3 Laws, and (ii) as to such facts and circumstances pertaining to the Section 3 Laws as Owner may require or request, including, without limitation, certification with respect to total number of labor hours worked under this Agreement, labor hours worked by Section 3 Workers (as defined in the Section 3 Laws), and labor hours worked by Targeted Section 3 Workers (as defined in the Section 3 Laws).
5. Noncompliance with the Section 3 Laws may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
6. Each party agrees to perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions and intent of this Section or otherwise to ensure performance in compliance with the Section 3 Laws.

3) Basic Eligibility: By submitting for this Solicitation:

- A. Proposer represents that it is licensed to do business in the State of Washington, and it has a state Unified Business Identifier (UBI) number.
- B. Proposer represents by its submission of the SUSPENSION AND DEBARMENT COMPLIANCE CERTIFICATE FOR CONSULTANT form, attached hereto, that neither it nor its principals/officers are presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency. Proposer further represents that by submitting a Proposal and being selected for this work, that it will comply with the requirements regarding sub-contracting and the purchase of supplies or materials for this work and the sub-contractors and/or firms, and their principals/officers are not debarred or otherwise disqualified from doing business with SHA. The Proposer understands that if selected, it shall provide evidence with the SUSPENSION AND DEBARMENT COMPLIANCE CERTIFICATE FOR SUB-CONSULTANTS form attached to this RFP of Proposer's sub-contractors' (if applicable) eligibility.
- C. Certification and Representations of Offerors Form: The Consultant shall submit to SHA a completed and signed Certifications and Representations of Offerors form (HUD-5369-C) (attached hereto) for itself.

4) Payment Requirements: Proposers should be aware that SHA will only make payments on the contract issued under this RFP after the work being billed has been completed, and within 30 calendar days of receipt of a properly prepared and SHA approved invoice from the Consultant. Supporting documentation is required for

payment of reimbursable expenses. No advance payments will be made to the Consultant, who must have the capacity to meet all project expenses in advance of payments by SHA.

- 5) **Approval of Sub-Consultants:** SHA retains the right of final approval of any sub-consultant of the selected Proposer who must inform all sub-consultants of this provision.
- 6) **Documents Produced:** All construction drawings, reports, specifications, and other documents produced under contract to SHA must be submitted to SHA in both hard copy and a digital format that meets SHA's requirements, using Microsoft Office or AutoCad products in an IBM-compatible format. All documents and products created by the Consultant and their sub-consultants shall become the exclusive property of SHA.
- 7) **Other Contracts:** During the original term and all subsequent renewal terms of the contract resulting from this RFP, SHA expressly reserves the right, through any other sources available, to pursue and implement alternative means of soliciting and awarding similar or related services as described in this RFP.
- 8) **Funding Availability:** By responding to this RFP, the Proposer acknowledges that for any contract signed as a result of this RFP, the authority to proceed with the work is contingent upon the availability of funding.
- 9) **For-Profit Subgrantee and Contractor Certifications and Assurances Form:** In the event that the Contract for these services includes any Federal Grant Funds, the Consultant must submit a completed and signed Certifications and Assurances Form (copy attached to this RFP) for itself and each sub-consultant, if known will be utilized on the Contract. Such form shall be submitted to SHA with the one original submittal for this RFP.
- 10) **Contract Requirements:** Proposers may review a sample of SHA's standard contract language that will form the basis for any contract executed based on this solicitation. Refer to Exhibit B Informational.

SHA's standard contract document is intended to guide you in developing your proposal. The actual contract that the successful Proposer and SHA will sign will be based on this sample contract. Please be advised that SHA will only negotiate some aspects of the contract. Much of the contents of the sample contract are based on non-flexible requirements and cannot be modified in any form.

SHA may also be acting as an agent to Condominium or other Associations that are associated with the SHA or LP properties included in the scope of work for this solicitation. If so, the contract(s) resulting from this solicitation will be between the selected firm and the applicable Association.

- 11) **Insurance:** The following are the insurance requirements that will be included in the contract executed based on this RFP:

Within seven (7) days from the date of the Notice of Selection, and prior to commencement of the Work, Consultant shall obtain all the insurance required by the Contract Documents and provide evidence satisfactory to Owner that such insurance has been procured. Review of the Consultant's insurance by Owner shall not relieve or decrease the liability of Consultant.

Failure of the Consultant to fully comply with the insurance requirements of this Contract will be considered a material breach of contract and, at the option of Owner, will be cause for such action as may be available to Owner under other provisions of this Contract or otherwise in law, including immediate termination of the Contract.

A. General Insurance Requirements:

1. Prior to undertaking any work under this Contract, the Consultant shall procure and maintain continuously for the duration of this Contract, at no expense to Owner, insurance coverage as specified below, in connection with the performance of the work of this Contract by the Consultant, its agents, representatives, employees and/or subcontractors (the term subcontractors as used in this Contract shall include sub-consultants). Review of the Consultant's insurance by Owner shall not relieve or decrease the liability of Consultant.
2. The Consultant's insurance shall be primary as respects Owner, and any other insurance maintained by Owner shall be excess and not contributing insurance with the Consultant's insurance.
3. Except with respect to the limits of insurance, and any rights or duties specifically assigned to the first named insured, the Consultant's Commercial General Liability and Commercial Automobile Liability insurance coverage shall apply as if each named insured were the only named insured, and separately to each insured against whom claim is made or suit is brought.
4. Insurance policies, deductibles, self-insured retentions, and insurance carriers will be subject to review and approval by Owner. Except for Professional Liability Insurance coverage, if applicable, each insurer must either be 1) authorized to do business in the State of Washington and maintain A.M. Best's ratings of "A VII" or higher, or 2) procured as surplus lines under the provisions of RCW Chapter 48.15 ("Unauthorized Insurers"), except as may be otherwise approved by the Owner. Insurers or reinsurers of Professional Liability (Errors and Omissions) Insurance must have a rating of "B+VII or higher.

B. Insurance Coverage and Terms: The following are the types and amounts of insurance coverage that must be maintained by the Consultant during the term of this Contract. The Consultant must provide acceptable evidence of such coverage prior to beginning work under this Contract. Consultant shall maintain the following insurance coverage for the duration of the contract and for one (1) year after final completion.

1. Additional Insured Endorsement Ongoing Operations naming the Seattle Housing Authority as an additional insured on a primary and non-contributory basis on the Commercial General Liability policy, ISO form CG2010 or

equivalent. Blanket additional insured endorsements may be acceptable but must be approved by SHA's Risk Manager.

2. Commercial General Liability Insurance. Commercial General Liability (CGL) insurance including bodily injury, property damage, and products/completed operations, written on an occurrence form, with the following minimum coverage:

\$1,000,000 each occurrence, and
\$2,000,000 aggregate

Coverage shall extend to cover the use of all equipment on the site or sites of the work of this Contract. In the event that the services to be provided under this Contract involve the Consultant's contact with minor children, and/or elderly, disabled or vulnerable adults as defined in RCW 74.34.020, the Consultant shall provide evidence that sexual misconduct coverage has not been excluded from the policy and is covered under the policy. Acceptable evidence of sexual misconduct coverage must include an endorsement and policy excerpt(s) and is subject to approval by Owner's Risk Manager.

3. Employers Liability or Washington Stop Gap Liability. A policy of Employers Liability or a Washington Stop Gap Liability insurance endorsement with the following minimum coverage:

\$1,000,000 each accident/disease

4. Commercial Automobile Liability Insurance. A policy of Commercial Automobile Liability Insurance, including coverage for owned, non-owned, leased or hired vehicles written on an insurance industry standard form (CA 00 01) or equivalent, with the following minimum coverage:

\$1,000,000 combined single limit (CSL) coverage

5. Technology Errors & Omissions. \$5,000,000 per claim/aggregate, covering, as applicable, claims involving systems analysis; software design; systems programming; data processing; systems integration; outsourcing (including outsourcing development and design); systems design, consulting, development, and modification; training services relating to computer software or hardware; management, repair, and maintenance of computer products, networks, and systems; marketing, selling, servicing, distributing, installing, and maintaining computer hardware or software; and data entry, modification, verification, maintenance, storage, retrieval, or preparation of data output

6. Workers Compensation. A policy of Workers Compensation. As respects Workers Compensation insurance in the State of Washington, the Consultant shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington (RCW). If the Consultant is qualified as a self-insurer in accordance with Chapter 51.14 RCW, the Consultant shall so certify by a letter signed by a corporate officer, indicating that it is a qualified self-insured, and setting forth the limits of any

policy of excess insurance covering its employees, or any similar coverage required.

7. Crime Fidelity, Theft, Disappearance & Destruction Liability (to include Employee Dishonesty):

\$1,000,000 per claim/aggregate

8. Information Privacy and Security Liability including both first- and third-party coverage, covering claims involving privacy violations, information theft, damage to or destruction of electronic information, extortion and network security with minimum limits of \$1,000,000 on each occurrence. This coverage can be either stand-alone or included within Professional Liability policy.

\$1,000,000 per claim/5,000,000 aggregate
(ONLY IF PII OR PHI GENERATED OR TRANSMITTED)

9. Commercial Crime Insurance/Employee Theft Insurance. When applicable, a policy of Commercial Crime Insurance/Employee Theft Insurance including third party coverage in favor of OWNER with the following minimum coverage:

\$1,000,000 per claim / aggregate

- C. Owner As Additional Insured: All liability policies except Professional Liability and Workers Compensation shall be endorsed to include Owner as additional insured on a primary and non-contributory basis for Work performed in accordance with the Contract documents, and all insurance certificates shall evidence the Owner as additional insured.

- D. Waiver of Subrogation: Consultant's policy shall provide waiver of subrogation by endorsement or otherwise.

- E. Deductibles or Self-Insured Retention: Any deductibles or self-insured retentions \$25,000 or higher must be declared to and approved by the Owner. The deductible and/or self-insured retention of the policies shall not limit or apply to the Consultant's liability to the Owner. Payment of deductibles shall be the responsibility of the Consultant.

- F. No Limitation of Liability - The limits of liability specified herein are minimum limits only. Such minimum limits of liability requirements shall not be construed to limit the liability of the Consultant or of any of their respective insurers. The Consultant shall include the Owner as an additional insured for primary and non-contributory limits of liability for the full valid and collectible limits of liability maintained by the Consultant whether such limits are primary, excess, contingent or otherwise. This provision shall apply regardless of whether limits maintained by the Consultant are greater than the minimum limits required by this Contract, and regardless of whether the certification of insurance by the Consultant specifies lower minimum limits than those specified for or maintained by the Consultant.

- G. Proof of Insurance and Insurance Expiration:

1. The Consultant shall furnish certificates of insurance and policy endorsements as evidence of compliance with the insurance requirements of the Contract. Such certificates and endorsements must be signed by a person authorized by that insurance company to bind coverage on its behalf.
 2. The Owner must be included as an Additional Insured on a primary and non-contributory basis on all Commercial General Liability and Automobile Liability policies of the Consultant. As respects the CGL insurance such additional insured status shall be evidenced by an ISO endorsement form CG2010 or equivalent.
 3. As respects CGL insurance such Additional Insured status shall contain a "separation of insureds" provision.
 4. The Consultant shall include all subconsultants at any tier as insureds under its policies (except for Professional Liability insurance) and ensure that the Consultant's coverage of subconsultants under the Consultant's policies is not excluded by any policy provision or endorsement. Alternatively, the Consultant shall:
 - a.) Obtain from each subconsultant not insured under the Consultant's policy or policies of insurance, evidence of insurance meeting all the requirements of this Contract, and
 - b.) Maintain such evidence on file for a period of one (1) year after the completion of this Contract and, upon request, submit such evidence to SHA for examination.
 5. The Consultant's insurance shall not be reduced or canceled without forty-five (45) days prior written notice to Owner, except for cancellation for nonpayment of premium, which notice shall not be less than ten (10) days prior to such date, unless a longer period of written notice is required under the provisions of Revised Code of Washington (RCW 48.18.290). The Consultant shall not permit any required insurance coverage to expire during the term of this Contract.
 6. Owner reserves the right to require complete, certified copies of all required insurance policies at any time during the term of this Contract, or to waive any of the insurance requirements of this Contract at its sole discretion.
- H. Criminal Background Investigation: The Consultant shall conduct a criminal background investigation of all employees, volunteers, subcontractors, and subconsultants performing any work who may reasonably be expected to have direct or incidental contact with SHA residents, SHA staff members, or vulnerable population. In addition, a criminal background investigation shall be performed for any person performing work under this Contract who is given use of an SHA building-access card or who collects payments of any kind. The criminal background investigation shall include, but not necessarily be limited to, a Washington State Patrol background report or if the employee, volunteer, subcontractor or subconsultant resides in a state other than Washington, the

background report should be obtained from the state patrol office where the employee, subcontractor or subconsultant has resided for the last 3 years. In the event a background check provides evidence of a felony conviction that information shall be provided to the SHA Project Manager. If any person performing work under this Contract is charged with a felony, the Consultant agrees to remove that person from performing any further work on the project unless and until SHA agrees in writing to allow the person to continue.

Attachment A

FORMS

The forms attached hereto are to be completed and submitted with your one original Proposal. Do not include them with the copies of your Proposal.



VENDOR FACT SHEET

Return this Form to Sadia Ikram at sadia.ikram@seattlehousing.org

General Business Information:

For SHA Use Only:

Name of Business, Organization, or Name of Person (if payment is to an individual):

JDE Vendor No.

Mailing Address for Payments:

City:

State:

Zip Code:

E-Mail Address:

Telephone No.:

Fax No.:

DUNS No.:

Washington UBI No.:

City of Seattle Business License No.:

Washington Contractor's License No.:

President/General Manager:

Principal products and/or services offered:

Type of Organization (check one):

Individual

Sole Proprietor

Partnership

Corporation

Governmental Agency

Other _____

Employee Tax ID No. (TIN) or Social Security No. (if Individual):

Substitute IRS Form W-9 Certification:

Under penalties of perjury, I hereby certify that the number shown on this form is my correct taxpayer identification number, and that I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and I am a U.S. person (including a U.S. resident alien). **Note:** The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

SIGN

Signature of U.S. Person

Date

HERE →

Ownership Status (check all that apply):

- MBE** (Minority-Owned Business Enterprise)
- WBE** (Women-Owned Business Enterprise)
- MWBE** (Minority / Women-Owned Business Enterprise)
- CBE** (Combination Business Enterprise)
- Small Business** **HUD Section 3 Business**
- Certified by OMWBE (Washington State Office of Minority and Women's Business Enterprises)
- Self-Identified (SHA may request a signed statement re: self-certification)

Racial/Ethnic Status (check one):

- Caucasian (1)
- African American (2)
- Native American (3)
- Hispanic American (4)
- Asian/Pacific American (5)
- Hasidic Jews (6)

Method of Contract Payments: As outlined on the reverse side of this form, for contracts over one million dollars, SHA's method of contract payments is through an electronic virtual credit card issued by SHA's e-payables vendor, Bank of America. Unless SHA grants a waiver, Vendors will receive an enrollment form from SHA following issuance of a contract.

SIGN BELOW:

Signature of Authorized Representative of Vendor:

Date:

By signing immediately above, the Vendor hereby represents the following:

- a) The Vendor certifies that to the best of its knowledge and belief, neither it, nor any person/principal or firm which has an interest in the Vendor's firm, is ineligible to participate in a SHA contract, purchase order, direct pay or other transaction, pursuant to the Certification of Eligibility provision specified in the Vendor Fact Sheet Instructions, or;
- b) The Vendor will comply with SHA's General Terms and Conditions applicable to Purchase Orders, if the Vendor will be supplying goods and/or services through an SHA Purchase Order.

To obtain a copy of the General Terms and Conditions, call (206) 615-3379 or visit our Web site at

https://www.seattlehousing.org/sites/default/files/Purchase_Orders_Terms_Conditions.pdf

Vendor Fact Sheet Instructions

Thank you for your interest in doing business with the Seattle Housing Authority (SHA). We look forward to doing business with you. If you have any questions about completion of the Vendor Fact Sheet, please call us at (206) 615-3379.

In order for SHA to make payments to you or to procure goods or services from you, we need the information requested on the Vendor Fact Sheet, which also serves as a substitute IRS W-9 Form. The information about you will be entered into our computerized payment system and will allow us to make required reports to the Federal government about our business and payment transactions.

Substitute IRS Form W-9 Certification: In completing the Vendor Fact Sheet, you must sign the “Substitute IRS Form W-9 Certification” or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct taxpayer identification number to SHA, you must cross out the portion of the certification after the word “and” in line two, through the end of line five, before signing the form. Detailed instructions about IRS Form W-9 are included on the form, which may be obtained by calling our office at (206) 615-3379 or visiting the IRS web site at www.irs.gov.

Certification of Eligibility: In order to do business with SHA, the Vendor must be eligible to:

- 1) Be awarded contracts by any agency of the U.S. Government, HUD, or the State in which this Contract work is to be performed; or,
- 2) Participate in HUD programs pursuant to 24 CFR Part 24.

The websites to verify eligibility of the firm and its principals are: <https://www.sam.gov/SAM> and http://portal.hud.gov/hudportal/HUD?src=/topics/limited_denials_of_participation. By signing the Vendor Fact Sheet, the Vendor understands that the certification of eligibility is a material representation of fact upon which reliance was placed when SHA agreed to enter into the transaction with the Vendor. SHA may require the Vendor to submit such certification on an annual basis depending on the terms of its contract or the frequency of its business transactions with SHA. If the Vendor subcontracts any portion of the work, the Vendor will be required to submit a similar certification of eligibility to SHA for any Vendor subcontracts. Any written contract executed between SHA and the Vendor shall include these provisions, which may also be referred to as Suspension/Debarment provisions.

Contract Payments: Unless SHA grants a waiver, its method of contract payment for contracts of one million or more is through its Bank of America epayables program. Payments will be made electronically through a virtual Visa credit card. Benefits for using this method include reduced labor costs associated with the processing of checks and enhancing cash flow by eliminating float time associated with the mailing of checks. To learn more about the program, please click [here](http://www.bankofamerica.com/epayablesvendors) or copy and paste the following URL into your browser: www.bankofamerica.com/epayablesvendors. For new vendors, SHA will automatically send an enrollment form upon contract award. If you have questions about the program, please contact Tran Wong, SHA's Accounts Payable Manager, at 206-615-3483 or Tran.Wong@seattlehousing.org.

Small Businesses: *The Vendor Fact Sheet also requests information about whether your business is owned and controlled by women or minorities, and/or is a small business. The following are definitions of these terms for your use. This information provides valuable information to SHA in its efforts to ensure its contracting program meets its diversity objectives and requirements.*

- **WMBE:** Minority and women-owned business enterprises must either be self-identified or certified by, the Washington State Office of Women's and Minority Business Enterprises (OMWBE) to be at least fifty-one percent owned by women and/or minority group members.
- **Small Business:** A small business means a business concern, including its affiliates, that is independently owned and operated, not an affiliate or subsidiary of a business dominant in its field of operation, and qualified as a small business under the criteria and size standards in 13 CFR 121. Furthermore, a business is considered small according to the Small Business Administration's established guidelines provided to such businesses.
- **HUD Section 3 Business:** A business that is owned 51% or more by a Section 3 qualified person, or where 30% or more of the permanent, full-time employees of the business are Section 3 qualified persons, or where the business can provide evidence of a commitment to subcontract in excess of 25% of the amount of all subcontracts to other Section 3 certified businesses. A Section 3 qualified person must live in the metropolitan statistical areas identified on SHA's Section 3 form and whose income level meets or falls below the stated income limits.

SEATTLE HOUSING AUTHORITY

SUSPENSION AND DEBARMENT COMPLIANCE CERTIFICATE FOR CONSULTANT

By signing below, the Consultant certifies that to the best of its knowledge and belief neither its firm nor any of its principals as named below are presently debarred, suspended, or have been declared ineligible or are excluded from participation in this transaction by any federal, state or local government.

Consultant's Firm Name: _____

Address: _____

City, State, Zip: _____

	PRINCIPAL(S) Name(s)	Title(s)
1		
2		
3		
4		
5		

Consultant's Signature	Printed Name	Title	Date

NOTE: This requirement applies to the Consultant's firm as well as its principals. Principal is defined in the regulation (2 CFR 180.995) as follows:

- 1) An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or
- 2) A consultant or other person, whether or not employed by the participant or paid with Federal funds, who-
 - a) Is in a position to handle Federal funds;
 - b) Is in a position to influence or control the use of those funds; or,
 - c) Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity require to perform the covered transaction.

The federal websites to verify eligibility include: <https://www.sam.gov/portal/public/SAM/> and [http://portal.hud.gov/hudportal/HUD?src=/topics/limited denials of participation](http://portal.hud.gov/hudportal/HUD?src=/topics/limited_denials_of_participation).

SEATTLE HOUSING AUTHORITY

SUSPENSION AND DEBARMENT COMPLIANCE CERTIFICATE FOR SUB-CONSULTANTS

The Prime Consultant may use this form if the Prime can verify that their Sub-Consultants named below, nor any of their principals are debarred, suspended or ineligible from involvement by Federal, State or Local Government. If the Prime is unable to verify this information, the Prime must send the previous SUSPENSION AND DEBARMENT COMPLIANCE CERTIFICATE FOR CONSULTANT form to each sub- consultant to be completed and returned.

Prime Consultant's Name: _____ certifies that neither any of the sub- consulting firms named below, nor any of its principals are debarred, suspended or ineligible from involvement by Federal, State or Local Government. I understand that the Seattle Housing Authority (SHA) relies on this certification, and I understand that I am obligated to submit the following to SHA:

- A certification for any new sub- consultant hired after submission of this certification.
- A renewal certification for every sub- consultant on the anniversary of the Contract execution date if the Contract Time extends beyond one year.

(Note: In lieu of this certification, the Prime Consultant may elect to submit a separate certification signed by each sub- consulting firm to SHA as evidence of sub- consultant eligibility. It is the Prime Consultant's responsibility to initiate, obtain, and provide all such individual sub- consultant certifications to SHA.)

Prime Consultant's Signature	Printed Name	Title	Date

Sub- Consultant Firm Listing: (If sub- consultants are not involved in the project, please enter NONE.)

If additional pages are necessary, copy this form to ensure signed statement precedes any listing of sub-consultants.

Please contact Sadia Ikram at sadia.ikram@seattlehousing.org if you have any questions regarding compliance with this requirement.

Certifications and Representations Of Offerors

Non-Construction Contract

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No: 2577-0180 (exp. 7/30/96)

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding / offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for non-construction contracts awarded by Housing Agencies (HAs). The form is used by bidders/Offerors to certify to the Has Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit. The information requested does not lend itself to confidentiality.

1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/ offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

- (1) has, has not employed or retained any person or company to solicit or obtain this contract; and
- (2) has, has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/offer that it:

- (a) is, is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.
- (b) is, is not a women-owned small business concern. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.
- (c) is, is not a minority enterprise which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are: (Check the block applicable to you)

- Black Americans Asian Pacific Americans
 Hispanic Americans Asian Indian Americans
 Native Americans Hasidic Jewish Americans

3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

- (1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;
- (2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor be-fore bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

- (1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
- (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);
- (ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

- (c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

4. Organizational Conflicts of Interest Certification

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual, or other interest are such that:

(i) Award of the contract may result in an unfair competitive advantage;

(ii) The Contractor's objectivity in performing the contract work may be impaired; or

(iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.

- (b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.
- (d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

5. Authorized Negotiators (RFPs only)

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

6. Conflict of Interest

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

7. Offeror's Signature

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Signature & Date:

Typed or Printed Name:

Title:

For-Profit Subgrantee and Contractor Certifications and Assurances

The Department of Housing and Urban Development (HUD) requires that all for-profit Subgrantees and Contractors on HOPE VI projects sign this "Certifications and Assurances" form certifying that they will comply with the specific federal requirements described below. The parties who must sign a "Certifications and Assurances" form are defined below:

- **Subgrantees:** These are for-profit organizations to which the Housing Authority (Housing Authority or Grantee) has awarded a grant from the HOPE VI grant that the Housing Authority received from HUD. The subgrantee is accountable to the Housing Authority for the use of the funds provided, but the Housing Authority is ultimately accountable to HUD.
- **Contractors:** This includes any for-profit contractor, consultant, service provider, or supplier that the Housing Authority contracts with for goods or services on any HOPE VI project.

.....
Certification and Assurance: The subgrantee or contractor executing this certification hereby assures and certifies that it will comply with all of the applicable requirements of the following, as the same may be amended from time to time, including adding appropriate provisions to all contracts between Grantee and for-profit Subgrantees or Contractors:

- (1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)
- (2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be affected and the basis for settlement. (All contracts in excess of \$10,000)
- (3) Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees)
- (4) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair)
- (5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees and subgrantees when required by Federal grant program legislation)
- (6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)
- (7) Notice of awarding agency requirements and regulations pertaining to reporting.
- (8) Notice of awarding agency requirements and regulations pertaining to patent

rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

- (9) Awarding agency requirements and regulations pertaining to copyrights and rights in data.
- (10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
- (11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.
- (12) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000).
- (13) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

The information contained in this certification is true and accurate, to the best of my knowledge.

Name of Subgrantee or Contractor	Name and Contract Number:	
Signature of Authorized Certifying Official:	Title:	Date:

WARNING: Section 1001 of the Title 18 of the United States Code (Criminal Code and Criminal Procedure, 72 Stat.967) applies to this certification. 18 U.S.C. 1001, among other things, provides that whoever knowingly and willfully makes or uses a document or writing knowing the same to contain any false, fictitious or fraudulent statement or entry, in any matter within jurisdiction of any department or agency of the United States, shall be fined no more than \$10,000 or imprisoned for not more than five years, or both.

Return this form to:
Sadia Ikram at
sadia.ikram@seattlehousing.org

Attachment B

INFORMATIONAL EXHIBITS

- **Boilerplate for Consultant Contract**
- **SHA Form Property Management Agreement (Residential)**
- **HUD Section 3 information and forms. Please review the attached and complete any of the forms that are applicable to your firm and submit them with your one original Proposal. Do not submit with the proposal copies.**

Contract No. [REDACTED]

CONSULTANT and PROFESSIONAL SERVICES

for

ENTER NAME OF PROJECT / SERVICES TO BE PROVIDED

THIS CONTRACT is made and entered into between the Housing Authority of the City of Seattle, a public body corporate and politic, hereinafter referred to as "SHA" and/or "Owner" and **Name and Address of Firm, "Doing Business As," if appropriate,** hereinafter referred to as the Service Provider and is effective as of the date this Contract is fully executed (the "Effective Date") **Service Provider**

WHEREAS, SHA solicited proposals from consultants qualified to provide assistance to SHA consistent with Attachment A - Scope of Work, attached and made a part of this Contract; and

[If this Contract is the result of a non-competitive procurement solicitation/selection process, use the following Whereas clause and route the Contract with a Non-Competitive Procurement form SHA-1152. Otherwise, delete this Whereas clause.]

WHEREAS, a Non-Competitive Procurement (form SHA-1152) has been authorized and approved for the selection of this Service Provider to provide assistance to SHA consistent with Attachment A - Scope of Work, attached and made a part of this Contract; and

WHEREAS, the Service Provider is qualified, duly authorized and willing to provide the requested services.

NOW THEREFORE, in consideration of the terms, conditions, covenants and representations contained herein, or incorporated and made a part hereof, the parties hereto agree as follows:

SECTION 1 - SCOPE OF WORK: Service Provider understands that this Contract does not contain any specific scope of work or guaranteed payment, and there is no guarantee for any specific amount of work to be assigned under this Contract. When work is required under this Contract, SHA shall contact Service Provider and provide information regarding the property or properties at which SHA requests services, and the parties shall then enter into a Property Management Agreement in the form attached as Attachment C (a "Management Agreement") to this Contract with respect to such property or properties.

SECTION 2 - TIME FOR BEGINNING AND COMPLETION: This Contract terminates on the date that is five years after the Effective Date. The parties are only entitled to enter into Management Agreements during the term of this Contract, and the Service Provider shall

not begin any work under the terms of this Contract until authorized to do so in writing by a fully executed Management Agreement. .

SECTION 3 – PAYMENTS: The Service Provider agrees to perform all of the work set forth in each Management Agreement for the amounts and on the terms specified in the Management Agreement. The Management Fee for any Management Agreement must be established in accordance with the terms set forth in Attachment B to this Contract. In addition to any requirements set forth in any Management Agreement, any invoices submitted by Service Provider must include SHA’s Contract number and the Contract title.

SECTION 4 – PROHIBITION OF ASSIGNMENT: The Service Provider shall not assign, subcontract or transfer any rights, title, services, obligations, or interest in this Contract without prior written consent of SHA as authorized in a Change Order. Any such approved assignment or subcontract shall be subject to each provision of this Contract and any procurement procedures required by SHA, the State of Washington, or the United States. In the event of an approved subcontract, SHA shall continue to hold the Service Provider responsible for proper performance of the Service Provider’s obligations under this Contract.

In the event that the Service Provider enters into a subcontract for work or services to be provided under this Contract, the Service Provider shall cause all applicable provisions of this Contract to be inserted in all its subcontracts.

SECTION 5 – INTENTIONALLY OMITTED.

SECTION 6 – DISPUTES: Any disputes or misunderstandings that may arise under this Contract concerning the Service Provider’s performance shall first be resolved through amicable negotiations, if possible, between the Service Provider’s Project Manager and SHA’s Project Manager indicated in Attachment B, or if necessary, shall be referred to SHA’s Executive Director and the Service Provider’s senior executive(s). If such parties do not agree upon a decision within a reasonable period of time, the parties may pursue other legal means to resolve such disputes, including but not limited to, alternate dispute resolution processes.

This Contract shall be construed and interpreted in accordance with the laws of the State of Washington. The venue of any action brought hereunder shall be in the Superior Court for King County.

SECTION 7 - COMPLIANCE WITH LAWS, RULES, REGULATIONS AND POLICIES: In performing the work and providing the services under this Contract, the Service Provider shall comply with all applicable laws of the United States, the State of Washington; and the City of Seattle; and the applicable rules, regulations, orders and directives of their administrative agencies and officers thereof. Such provisions include, but are not necessarily limited to:

- A. Washington Public Records Act: Service Provider acknowledges and agrees that Seattle Housing Authority is a public agency under Washington State law (Chapter

35.82 RCW) and is subject to the requirements of the Washington Public Records Act (PRA), Chapter 42.56 RCW. Service Provider also acknowledges and agrees that documents prepared, owned, used or retained in connection with this Agreement or work performed on behalf of the Seattle Housing Authority pursuant to this Agreement may be subject to public disclosure if requested. Service Provider agrees to fully cooperate with the Seattle Housing Authority in making required disclosures in a lawful and timely manner. Service Provider further acknowledges and agrees that if Service Provider fails to fully cooperate and produce records requested, or if Service Provider asserts an objection, privilege, or exemption that delays the timely disclosure of requested records, Service Provider will fully indemnify and defend Seattle Housing Authority for any penalties, fees, or costs related to such failure or delay, including but not limited to reasonable attorney fees claimed by a requester.

- B. Anti-lobbying Certification: No Federal appropriated funds have been paid or will be paid, by or on behalf of the Service Provider, to any person for influencing or attempting to influence any officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

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

The Service Provider further agrees to include the language of this certification in the award documents for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients and subcontractors shall certify and disclose accordingly.

- C. Nondiscrimination/Equality of Opportunity: The Service Provider shall comply with applicable non-discrimination and equal opportunity provisions of the laws and regulations of the United States, the State of Washington, and the City of Seattle.
- D. Clean Air and Water: On federally-funded contracts in excess of \$150,000, consistent with the provisions of 2 CFR §200.326(g), the Service Provider shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C.1251–1387). Violations must be reported to the Federal

awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

- E. Energy Efficiency: When applicable, the Service Provider shall comply with all standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201) for the State in which the work under this Contract is performed.
- F. Certification and Representations of Offerors Form: The Service Provider warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to performance under this contract and certifies that the information submitted to SHA on their completed and signed HUD form 5369-C Certifications and Representations of Offerors – Non-Construction Contract, as submitted with its Proposal, is still accurate.
- G. Certification of Eligibility: By entering into this Contract with SHA, the Service Provider certifies that to the best of its knowledge and belief, neither it, nor any person or firm which has an interest in the Service Provider's firm, nor any person or firm which has an interest in any of its sub-consultants' firms as applicable, is ineligible to:
 - 1) Be awarded contracts by any agency of the U.S. Government, HUD, or the State in which this Contract work is to be performed; or,
 - 2) Participate in HUD programs pursuant to 24 CFR Part 24.

NOTE: For purposes of this Paragraph, the term "Person" is synonymous with the term "Principal" as defined in 2 CFR 180 and means:

- 1) An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or
- 2) A consultant or other person, whether or not employed by the participant or paid with Federal funds, who-
 - a) Is in a position to handle Federal funds;
 - b) Is in a position to influence or control the use of those funds; or,
 - c) Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction.

For compliance with the Certification of Eligibility provision, the Service Provider agrees to conduct Suspension and Debarment checks on each sub-consultant and on those persons/principals described above.

The websites to verify eligibility are:
<https://www.sam.gov/portal/SAM> and

[http://portal.hud.gov/hudportal/HUD?src=/topics/limited denials of participation](http://portal.hud.gov/hudportal/HUD?src=/topics/limited_denials_of_participation).

Upon request, SHA will provide the Service Provider with forms necessary to conduct these reviews.

This certification of eligibility is a material representation of fact upon which reliance was placed when SHA awarded the Contract. In the event a Change Order is issued renewing the Contract, by submitting a proposal for the change order, the Service Provider certifies as to continued eligibility consistent with this section. SHA reserves the right to request evidence demonstrating compliance with this section, such as, evidence of sub-consultant eligibility. If it is later determined that the Service Provider knowingly provided an erroneous certification, the Contract may be terminated, and the Service Provider may be debarred or suspended from participation in HUD programs and other Federal contract programs. SHA advises the Service Provider to become familiar with the federal regulations, 2 CFR 180, and to conduct such eligibility checks prior to the initial contract award, prior to a contract renewal or, if there is no formal contract renewal, at least annually for contracts lasting more than one year in duration. The Service Provider will submit a signed certification of compliance with this section for itself and for any sub-consultants as sub-consultant agreements are issued and will submit an annual certification of compliance for Contracts extending beyond one year in duration.

An erroneous certification from a sub-consultant or any person having an interest in a sub-consultant may result in SHA requiring the removal of the Sub-consultant from the project. SHA shall not be liable for any costs associated with the removal or replacement of the firm/person from the project as a result of having knowingly provided an erroneous certification.

SECTION 8 -INTENTIONALLY OMITTED.

SECTION 9 – INTENTIONALLY OMITTED.

SECTION 10 – INTENTIONALLY OMITTED.

SECTION 11 - NOTICE REQUIREMENTS: Any and all notices required under this Contract (each, a “Notice”) shall be in writing to the addresses specified in Attachment B to this Contract or to such subsequent respective addresses as either party may hereafter designate in writing and shall be deemed delivered as follows:

7. Three (3) Business Days after being posted by certified or registered mail to the other party’s contact person;
8. One (1) Business Day after being sent by recognized national overnight courier service to the other party’s contact person;
9. On the same Day when delivered in person to the other party’s contact person;

10. On the same Day when sent by email to the contact person at the designated email address of the party with confirmed receipt, provided the email is sent on a Business Day and prior to 3:00 pm on that Business Day, and otherwise, the Notice shall be deemed delivered one (1) Business Day after being sent by e-mail with confirmed receipt; or
11. On the same Day when sent by facsimile to the contact person at the designated facsimile number of the party with confirmed receipt, provided the facsimile is sent on a Business Day and prior to 3:00 pm on that Business Day, and otherwise, the Notice shall be deemed delivered one (1) Business Day after being sent by facsimile with confirmed receipt.

SECTION 12 - PROJECT MANAGEMENT: This project shall be managed for SHA by the person specified in Attachment B to this Contract, who shall either directly or indirectly through such others as are designated in writing by the Project Manager provide direction to the Service Provider in performing the work of this Contract.

SECTION 13 - STATUS OF SERVICE PROVIDER AND EMPLOYEES:

- A. **Non-Representation:** Neither the Service Provider, the Subcontractor, employees, agents, or volunteers of the Service Provider or Subcontractor, shall be deemed or represent themselves as employees of SHA or the grantor funding this project on account of the services performed in connection with this Contract.
- B. **Involvement of Former SHA Employees:** The Service Provider agrees to inform SHA of any former SHA employee who terminated SHA employment in the last twelve (12) months prior to execution of any project specific contract, and who will be working on or subcontracting for any of the work. The Service Provider further agrees that no work will be done by a former SHA employee who terminated SHA employment in the last twelve (12) months prior to execution of any project specific contract, and who, in the course of official SHA duties, was involved in, participated in or acted on any matter related to this Contract.
- C. **No Conflict of Interest:** The Service Provider confirms that the Service Provider does not have a business interest or a close family relationship with any SHA employee who was, is, or will be involved in the consultant selection, negotiation, drafting, signing, administration, or evaluating the Service Provider's performance. As used in this section, the term "Service Provider" shall include any employee of the Service Provider who was, is, or will be involved in the negotiation, drafting, signing, administration, or performance of the Contract. As used in this section, the term "close family relationship" refers to the following: spouse or domestic partner; any dependent parent, parent-in-law, child, son-in-law, or daughter-in-law; or any parent, parent-in-law, sibling, uncle, aunt, cousin, niece or nephew residing in the household of an SHA employee described above.

The Service Provider hereby acknowledges the requirements of RCW 42.23.030, which prohibits anyone in the Service Provider's organization who has an official

relationship with SHA, to receive compensation in excess of \$1,500 per month from this Contract.

SECTION 14 - TERMINATION FOR CONVENIENCE OR DEFAULT: SHA may terminate this Contract in whole, or from time to time in part, for SHA's convenience or the failure of the Service Provider to fulfill the contract obligations (default). SHA shall terminate by delivering to the Service Provider a written Notice of Termination specifying the nature, extent, and effective date of the termination. A termination of this Contract does not terminate any Management Agreement. Termination of a Management Agreement is subject to the terms contained in each Management Agreement.

SECTION 15 – OWNERSHIP: All records, reports, documents and other materials produced in connection with or provided to SHA under the terms of this Contract shall become the exclusive property of SHA and shall not be reproduced by or used by the Service Provider without the express written consent of SHA.

SECTION 16 – ROYALTIES AND PATENTS: The Service Provider shall pay all royalties and license fees. It shall defend all suits or claims for infringement of any patent rights and shall save SHA harmless from loss on account thereof; except that SHA shall be responsible for all such loss when a particular design, process or the product of a particular manufacturer or manufacturers is specified and the Service Provider has no reason to believe that the specified design, process, or product is an infringement. If, however, the Service Provider has reason to believe that any design, process or product specified is an infringement of a patent, the Service Provider shall promptly notify the Project Manager. Failure to give such notice shall make the Service Provider responsible for resultant loss.

SECTION 17 – AUDITS AND RECORDS RETENTION:

- A. SHA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this Contract, have access to and the right to examine any of the Service Provider's directly pertinent books, documents, papers, or other records involving transactions related to this Contract for the purpose of making audit, examination, excerpts, and transcriptions.
- B. The Service Provider agrees to include in first-tier subcontracts under this contract a clause substantially the same as in paragraph "A" above.
- C. The periods of access and examination in paragraphs A and B above for records relating to litigation or settlement of claims arising from the performance of this Contract, or costs and expenses of this Contract to which SHA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such litigation, claims, or exceptions.

•

SECTION 18 - INTENTIONALLY OMITTED.

SECTION 19 - COMPLETE CONTRACT: This Contract (including Attachments to the Contract), together with SHA's solicitation materials, and the Service Provider's response to the solicitation, and each Management Agreement, contain all covenants, stipulations and provisions agreed upon by the parties. In the event of inconsistencies in language between these documents, the order of precedence shall first be the Contract (including Attachments to the Contract), then each Management Agreement, then SHA's solicitation materials, and finally the Service Provider's response to the solicitation. No agent or representative of either party has authority to make, and the parties shall not be bound by or be liable for any statement, representation, promise or agreement not set forth herein. No changes, amendments, or modifications of the terms hereof shall be valid unless reduced to writing and signed by the parties as a Change Order to this Contract.

SECTION 20 - EXECUTION AND ACCEPTANCE: This Contract may be simultaneously executed in several counterparts, each of which shall be deemed to be an original having identical legal effect. The Service Provider does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in this Contract.

SECTION 21 – PERFORMANCE EVALUATION

The Service Provider acknowledges that SHA will evaluate its performance under and pursuant to this Contract. The purpose of such evaluations includes, but is not limited to, determining whether the Service Provider and its sub-consultant(s) responsibly performed their contractual obligations, properly expended funds provided pursuant to this contract, and whether the best interests of SHA were served.

SHA will provide a copy of any such performance evaluations to the Service Provider, as soon as practicable after completion of such evaluation, but no later than thirty days after completion of the contract or the evaluation, whichever is later.

The Service Provider may respond to the performance evaluation within thirty (30) days of receipt of the completed evaluation by submitting a written request for review by the SHA Project Manager. Any such request shall include the reasons for the request and any documents necessary to substantiate their belief that the performance evaluation was flawed or otherwise in error. SHA will respond to the Service Provider within thirty (30) days of receipt of the Service Provider's request for review; provided that, if in the Project Manager's judgment, additional time for a response is required the Project Manager shall advise the Service Provider in writing that the response will be provided at a later date, which date shall be specified in the written notice to the Service Provider.

If the Service Provider it is not satisfied with SHA's final the response, the Service Provider may submit a protest within ten (10) days of receipt of SHA's final response. The protest shall be mailed to the attention of SHA Deputy Director of Procurement and Contracts, P.O. Box 19028, Seattle, WA 98109. The Deputy Director of Procurement and

Contracts will review the protest and provide a response to the Service Provider within thirty (30) days of receipt of the protest. If additional time is warranted for the review, the Service Provider shall be notified in writing.

The Service Provider Evaluation document will be available to SHA staff as evaluation reference material for other SHA solicitations for up to five years after the document has been finalized.

IN WITNESS WHEREOF, the parties hereto have executed this Contract by having their representatives affix their signatures below.

Business Name of Service Provider
Street Address of Business
City, State, and Zip of Business

Housing Authority of the City of Seattle
190 – Queen Anne Avenue North
P.O. Box 19028
Seattle, WA 98109-1028

By: _____
Signature Date

By: _____
Signature Date

Name and Title of Signatory

Name and Title of Signatory

Attachments:

- A Scope of Work
- B Terms and Conditions
- C Form of Property Management Agreement

Attachment A
(Contract No. [REDACTED])
SCOPE OF WORK

Attachment B
(Contract No. [REDACTED])
TERMS AND CONDITIONS

Contract Term: <p style="text-align: center;">Five Years From Effective Date</p>	• Contract Amount (Section 3 of Contract): <p style="text-align: center;">[REDACTED]</p>
Basis of Payment (hourly rate, lump sum, etc.) (Section 3 of Contract): <p style="text-align: center;">[REDACTED]</p>	
Subcontractors or Sub-consultants Authorized (Section 4 of Contract): <p style="text-align: center;">[REDACTED]</p>	
Intentionally Omitted	
Name and Address of SHA's Project Manager (Sections 6 and 12 of the Contract): <p style="text-align: center;">[REDACTED]</p>	
Service Provider's Name and Address for Delivery of Notices (Section 11 of the Contract) <p style="text-align: center;">[REDACTED]</p>	SHA's Name and Address for Delivery of Notices (Section 11 of the Contract) Housing Authority of the City of Seattle Attn: [REDACTED] 190 Queen Anne Avenue N. P.O. Box 19028 Seattle, WA 98109-1028

ATTACHMENT C

FORM OF PROPERTY MANAGEMENT AGREEMENT

PROPERTY MANAGEMENT AGREEMENT

This PROPERTY MANAGEMENT AGREEMENT, dated as of _____, 20__, is entered into by and between the HOUSING AUTHORITY OF THE CITY OF SEATTLE, a Washington public body corporate and politic, and _____, a _____.

RECITALS

A. SHA owns certain improved real property commonly known as _____ located at _____ in Seattle, Washington and legally described on Exhibit A.

B. SHA desires to engage Manager to perform professional residential property management services at the Property, including managing, marketing, leasing to third parties, and operation and maintenance activities, all on the terms and conditions set forth in this Agreement.

C. Manager desires to accept the engagement on the terms and condition set forth in this Agreement.

ARTICLE I

DEFINITIONS

ARTICLE I Definitions. Initially capitalized terms used in this Agreement have the meanings set forth in this Section 1.1 or where first defined in the text.

“Affiliate” means any person or entity directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Manager, which includes each of the constituent members of Manager’s [###limited liability company][update type of entity###]. The term “control,” as used in the immediately preceding sentence, means, with respect to a person that is a corporation, the right to exercise, directly or indirectly, at least 50% of the voting rights attributable to the shares of the controlled corporation, and, with respect to a person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person.

“Agreement” means this Property Management Agreement.

“Approved Operating Budget” means the budget approved by SHA in accordance with Section 9.1 of this Agreement.

“Books, Records, and Documents” means all books, records and documents relating to the management and operation of the Property and the Services provided under this Agreement, including without limitation: all contracts, original leases, amendments, extensions and agreements relating to contracts and leases; files, correspondence with tenants and prospective tenants; computations of rental adjustments; maintenance and preventive maintenance programs,

schedules and logs (including, without limitation, those relating to removal, abatement, maintenance and other work involving any Hazardous Materials); reports, tests, surveys and other documentation concerning or referring to Hazardous Materials or environmental conditions in, on or around the Property, received from SHA or otherwise; tenant finish and construction records; inventories of personal property and equipment; correspondence with vendors; job descriptions; correspondence with federal, state, county, and municipal authorities; brochures and accounts held or maintained by Manager, and; all other books, records and documentation prepared or kept by or required to be prepared or kept by Manager under the terms of this Agreement.

“Breach” or “Breach(ing)” means a failure or delay by either party to perform any material term or provision of this Agreement.

“Business Day(s)” means Monday through Friday, excluding state and federal holidays during which SHA is closed.

“SHA” means the Housing Authority of the City of Seattle, a Washington public body corporate and politic.

“Claims” means any liabilities, damages (including without limitation for claims filed against SHA by a third-party, direct, special and consequential damages), costs, expenses, suits, losses, claims, actions, fines and penalties, including, without limitation, court costs, reasonable attorneys’ fees and any other reasonable costs of litigation.

“Commencement Date” means [_____, 20__].

“Davis Bacon” means the Davis Bacon Act, 40 U.S.C. Section 3141, et seq., and the regulations promulgated under such statutes, as the same may be amended, modified, or replaced from time to time.

“Default” or “Defaulting” means a Breach by either party with any applicable cure period having expired.

“Employee Burden” means the monthly sum of: (i) the salaries, wages, and other direct compensation payable to the Property Staff, and (ii) any fringe benefits payable with respect to the Property Staff, as may be appropriate to cause the amount to be reimbursed by SHA to equal the aggregate compensation with respect to the Property Staff.

“Environmental Laws” means all federal, state, and local laws, statutes, rules, regulations, ordinances, and codes, and any judicial or administrative interpretation thereof or requirement thereunder, relating to the regulation or protection of human health, safety, the environment and natural resources, including the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Clean Water Act (33 U.S.C. §§ 1251 et seq.), the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Emergency Planning and Community Right-To-Know Act (42 U.S.C. §§ 11001 et seq.), and any similar or comparable state or local laws, including without limitation,

the Model Toxics Control Act (Chapter 70.105D RCW) (“MTCA”) and the Hazardous Waste Management Act (Chapter 70.105 RCW.).

[###“Extension Terms” is defined in Section 2.4.###]

“Governmental Requirements” means any and all applicable laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State of Washington, the County of King, the City of Seattle or any other political subdivision in which the Property is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over SHA, Manager, or the Property, including all applicable federal, state and local occupation, safety and health laws, rules, regulations and standards, applicable federal and state and labor standards, applicable prevailing wage requirements, the City of Seattle zoning and building standards, building, plumbing, mechanical and electrical codes, as they apply to the Property, all other ordinances and requirements of the City of Seattle and its Municipal Code, and all applicable disabled and handicapped access requirements, including, without limitation, the Americans With Disability Act, 42 U.S.C. §12101, et seq..

“Hazardous Materials” mean any waste, pollutant, contaminant, chemical, petroleum product, pesticide, fertilizer, substance, or material that is defined, classified, or designated as hazardous, toxic, radioactive, dangerous, or other comparable term or category under any Environmental Laws.

“Housing Authorities Law” means Chapter 35.82 RCW (as the same may be amended, modified, or replaced from time to time, and any regulation promulgated in accordance with such statute).

“Indemnitees” means SHA and its directors, officers, employees, and agents.

“Leasing Plan” means a leasing plan setting forth the rental rates based on local comparable properties and market analytics from a reputable source, and including tenant retention strategies, any recommended leasing incentives, and such other matters as SHA may request.

“Low Income Housing Requirement” means any requirements for leasing units to low-income household in accordance with the Housing Authorities Law. As of the date of this Agreement, the Low Income Housing Requirement means that fifty percent (50%) of the dwelling units owned by SHA must be rented to low-income households, as defined by SHA.

“Management Fee” is defined in Section 12.1.

“Manager” means [_____], a [_____].

“Monthly Operations Report” means the monthly operations report in form and substance required by Section 6.1 of this Agreement.

“New Manager” means a new property manager or other party or parties designated by SHA.

“Operating Account” is defined in Section 9.3(a).

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company, corporation or body corporate with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency.

“Prevailing Wage Laws” means Davis Bacon and RCW 39.12, et seq., and the regulations promulgated under such statutes as each may be modified, amended, or replaced from time to time.

“Property” means the real property subject to this Agreement as described in Recital A and the improvements located on such real property.

“Property Agreements” means the agreements, covenants, conditions and restrictions contained in those certain deeds, mortgages, covenants, easements, and other instruments listed in Exhibit D.

“Property Management Fee” is defined in Section 12.1.

“Property Staff” means the on-site personnel identified in the Staffing Plan.

###“Replacement Reserve Account” is defined in Section 9.3(c).###

“Section 3 Laws” means Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and its implementing regulations set forth at 24 CFR 75 (as each of the same has been or may be amended, modified, or replaced from time to time, and including any successor statutes or regulations).

“Security Deposit Account” is defined in Section 9.3(b).

“Service” and “Services” means the services to be provided by Manager as specifically described in Article IV below, and as further described and supplemented elsewhere in this Agreement, including the attached Exhibits.

“Staffing Plan” means a schedule of personnel in substantially the format of Exhibit B attached to this Agreement to be subject to Manager’s exclusive control and employed in the direct management of the Property.

“Term” means the effective term of the Agreement from the Commencement Date through the Termination Date.

“Termination Date” means the actual date of expiration or earlier termination of this Agreement.

ARTICLE III

TERM; TERMINATION

ARTICLE IV Initial Term. Manager's duties and responsibilities under this Agreement begin on the Commencement Date and end on _____, unless sooner terminated [###or extended for one or more Extension Terms###], as provided in this Agreement.

ARTICLE V [###Extension Terms. SHA is entitled to extend the Term of this Agreement for up to _____ one (1)-year extension terms (each an "Extension Term" and collectively, the "Extension Terms"). To exercise an extension option, SHA shall provide written notice to Manager no later than thirty (30) days prior to then effective Termination Date.###]

ARTICLE VI Effect of Termination.

Upon the Termination Date:

ARTICLE VII Manager shall surrender any space in the Property occupied by Manager in a neat and orderly fashion, reasonable wear and tear excepted, and shall remove all Manager's personal property.

ARTICLE VIII Manager and SHA shall account to each other for all matters outstanding with respect to this Agreement, and in furtherance of that end, Manager shall deliver to SHA the following with respect to the Property:

ARTICLE IX All Books, Records, and Documents, including original records, contracts, leases, receipts for deposits, unpaid bills, and other papers or documents that pertain to the Property in Manager's possession, provided that any such Books, Records, and Documents located at the Property must, unless otherwise directed by SHA, remain at the Property. Manager bears all costs associated with delivery of such original documentation to SHA.

ARTICLE X If Manager has entered into any contracts for the Property in accordance with the terms of this Agreement, Manager shall assign and deliver, as appropriate, the contracts to SHA or SHA's designee and SHA or SHA's designee shall assume Manager's obligations under the contracts as of the Termination Date. Manager shall ensure that any contract relating to the Property entered into by Manager is fully assignable to SHA without any consent or approval from the third party contractor and upon no more than thirty (30) days' notice to such third party.

ARTICLE XI A final accounting in accordance with Section 6.5 of this Agreement.

ARTICLE XII Manager shall surrender to SHA the Operating Account, Security Deposit Account, and any other accounts established by Manager and all funds held by Manager.

ARTICLE XIII All keys for the Property in Manager's possession.

ARTICLE XIV Such other information and documentation with respect to the Property or the Services as SHA reasonably requests.

Upon any termination of this Agreement, and following reconciliation and release to SHA of all amounts held in the Operating Account, Security Deposit Account, or otherwise, SHA shall pay to Manager the amounts due to Manager under this Agreement that accrued prior to the Termination Date. The termination of this Agreement does not affect (x) the rights of either party with respect to any damages it has suffered as a result of any Breach of this Agreement, (y) the rights or obligations of either party with respect to liability or claims accrued or arising out of events occurring prior to the Termination Date. The rights identified in subsections (x) and (y) in the preceding sentence will survive termination of this Agreement.

ARTICLE XV Termination Due to Unavailability of Funding. The purchase of goods or services from Manager under this Agreement may be subject to the availability and provision of funding from the United States or other funding sources. SHA is entitled to immediately terminate this Agreement if funding for the contracted goods and services is no longer available. Upon receipt of SHA's notice of termination of the Agreement in accordance with this Section, Manager shall take all reasonable action to discontinue further commitments of funds under this Agreement. Termination in accordance with this Section will be treated as termination without cause and will not result in any penalty to SHA.

ARTICLE XVI Termination Upon Sale. If SHA sells or transfers the Property to an unrelated third party, this Agreement terminates as of the date of the closing of the sale. SHA shall use reasonable good faith efforts to give Manager at least thirty (30) days prior written notice of any pending sale of the Property.

ARTICLE XVII Termination by SHA With Cause. SHA is entitled to terminate this Agreement:

ARTICLE XVIII In the event of a monetary Breach by Manager, five (5) Business Days following written notice to Manager, unless Manager cures the Breach within such five (5) Business Day period; or

ARTICLE XIX In the event of (i) fraud, embezzlement, or theft involving any employee of Manager, (ii) willful misconduct of any employee of Manager that results in the filing of criminal charges, either misdemeanor or felony, or (iii) willful misconduct of any employee of Manager that results in injury (either physical or emotional) to a resident of the Property, thirty (30) days following written notice to Manager;

ARTICLE XX In the event of any other non-monetary Breach by Manager, thirty (30) days following written notice to Manager, unless Manager cures the Breach within such thirty (30) day period. If the nature of the Breach is such that it cannot be cured within thirty (30) days, Manager is entitled to have a longer period of time, not to exceed one hundred eighty (180) days following SHA's written notice, to complete the cure, as long as Manager begins curing the Breach within the initial thirty (30) day period and proceeds to complete the cure with commercially reasonable diligence.

If SHA exercises its right of termination under this Section, it shall submit written notice to Manager specifying that SHA is terminating the Agreement under this Section, the reasons for

the termination, and the date upon which the termination becomes effective. Upon receipt of such notice from SHA, Manager shall take all reasonable actions to discontinue further commitments of funds under this Agreement.

ARTICLE XXITermination by Manager With Cause. Manager is entitled to terminate this Agreement:

ARTICLE XXIIIn the event of a monetary Breach by SHA, five (5) Business Days following written notice to SHA, unless SHA cures the Breach within such five (5) Business Day period; or

ARTICLE XXIIIIn the event of a non-monetary Breach by SHA, thirty (30) days following written notice to SHA, unless SHA cures the Breach within such thirty (30) day period. If the nature of the Breach is such that it cannot be cured within thirty (30) days, SHA is entitled to have a longer period of time, not to exceed one hundred eighty (180) days following Manager’s written notice, to complete the cure, as long as SHA begins curing the Breach within the initial thirty (30) day period and proceeds to complete the cure with commercially reasonable diligence.

If Manager exercises its right of termination under this Section, it shall submit written notice to SHA specifying that Manager is terminating the Agreement under this Section, the reasons for the termination, and the date upon which the termination becomes effective. Upon delivering such notice to SHA, Manager shall take all reasonable actions to discontinue further commitments of funds under this Agreement.

ARTICLE XXIVTermination by SHA Without Cause. SHA is entitled to terminate this Agreement without cause and for any reason whatsoever upon giving at least sixty (60) days’ written notice to Manager. In such event, Manager is entitled to receive compensation for the Services provided in a satisfactory manner up to and including the effective Termination Date.

ARTICLE XXVTermination By Manager Without Cause. Manager is entitled to terminate this Agreement without cause and for any reason whatsoever upon one-hundred twenty (120) days’ notice to SHA.

ARTICLE XXVITransition Services at Termination. During the last six (6) months of the Term of this Agreement and for the period following any notice of termination provided under this Agreement, Manager shall cooperate and assist in transitioning the Property, and the leasing, maintenance and operation of the Property, to a New Manager. Manager shall use all commercially reasonable efforts to provide or cause to be provided to the New Manager any services reasonably requested by SHA or New Manager in connection with such transition.

ARTICLE XXVII

APPOINTMENT

ARTICLE XXVIIIAppointment. Subject to the terms and agreements contained in this Agreement, effective as of the Commencement Date, SHA appoints Manager as the

property manager and leasing agent for the Property and authorizes Manager to exercise such powers with respect to the Property as are provided in this Agreement. Manager accepts the appointment on the terms and conditions set forth in this Agreement. Manager has no right or authority, express or implied, to commit or otherwise obligate SHA or to encumber the Property in any manner whatsoever except to the extent specifically provided in this Agreement.

ARTICLE XXIX Standard of Care. Manager acknowledges and agrees that by entering into this Agreement it accepts a fiduciary relationship of trust and confidence between Manager and SHA. In performing its obligations and providing the Services set forth in this Agreement, Manager shall exercise a standard of care, skill, diligence, knowledge, judgment and quality of Services so as to maintain the Property, to the extent funds are available under the Approved Operating Budget, in first class condition and state of repair.

ARTICLE XXX

DUTIES AND RESPONSIBILITIES OF MANAGER

ARTICLE XXXI Generally. Subject to the provisions of this Agreement, Manager shall provide such Services, including managing, operating and leasing the Property, as are provided by managers of properties of comparable class and size in Seattle, Washington with the highest professional and ethical standards. Manager shall act as SHA's contracted representative for business interaction with all tenants at the Property, other service providers hired by SHA to provide services at the Property, adjacent property owners and operators, and other third parties with contractual rights or obligations relating to the Property. Manager shall (i) generally do and perform, or cause to be done and performed, all things necessary, required or desirable in Manager's judgment for the proper and efficient management, operation, maintenance, leasing, and marketing of the Property, and (ii) faithfully and diligently render the Services during the Term of this Agreement. Manager shall act in a commercially responsible capacity with respect to the proper protection of and accounting for SHA's assets. In this capacity, Manager shall act in SHA's best interests at all times and shall not enter into contracts, agreements or other arrangements with respect to the Services with any Affiliate of Manager or other related entity without the prior express written consent of SHA in each instance. Manager shall implement, or cause to be implemented, the decisions of SHA and shall conduct the ordinary and usual business affairs of Manager and SHA for the Property as provided in this Agreement. Manager shall use diligent efforts to conform to all policies and programs established from time to time by SHA furnished in writing to Manager and the scope of Manager's authority is expressly limited in accordance with such policies. Manager shall manage, supervise and direct the business associated with or related to the daily operations and maintenance of Property, as described in more detail below.

ARTICLE XXXII Employment of Personnel. Manager shall at all times have in its employ or contract for sufficient personnel to enable it to properly, adequately, safely and

economically manage, lease, market, operate, maintain and account for the Property and provide the Services. All matters pertaining to the selection, direction, employment, supervision, compensation (subject to the Approved Operating Budget), promotion and discharge of personnel are the sole responsibility of Manager or Manager's subcontractors, as the case may be, which will be in all respects the employer of such personnel, except that Manager has total responsibility for and shall fully comply with all applicable laws and regulations having to do with workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related subjects. Manager shall provide the necessary supervision and training to develop and maintain a customer service-oriented and professional staff in alignment with the needs and operational requirements of the Property. Manager shall maintain tracking metrics for the Property and individual personnel performance through Manager's adopted system of personnel performance evaluation.

ARTICLE XXXIIIStaffing Plan. Manager shall provide, and timely update as appropriate, a Staffing Plan. The Staffing Plan must include the number of such personnel engaged by Manager at any given time, their titles, and whether such personnel are directly employed by Manager or by Manager's Affiliates or subcontractors. The Staffing Plan must also indicate the compensation being paid to each employee and must also identify, in the same manner, additional personnel whose costs may, from time to time, be charged to the Property for Services rendered to the Property, which costs may only be allocated to the Property as provided in the Approved Operating Budget, or according to such other method as SHA and Manager may agree. Manager shall update and submit a revised Staffing Plan for SHA's approval in conjunction with each Approved Operating Budget and at such additional times as SHA requires.

ARTICLE XXXIVCustomer Service. All Manager employees, representatives, suppliers and subcontractors shall act in a courteous professional manner at all times while performing work at the Property or in connection with Manager's Services under this Agreement. Every effort must be made to perform the Services while creating minimum disturbance to the Property's tenants. SHA is entitled to require that any employee, representative, supplier or subcontractor, including, supervisors and staff of Manager be immediately removed from duty and replaced with an individual or subcontractor acceptable to SHA, if SHA reasonably determines such employee, representative, supplier or subcontractor is incompetent, careless, insubordinate, ineffective or otherwise objectionable.

ARTICLE XXXVLeasing.

ARTICLE XXXVILeasing Efforts Generally. Manager shall maximize occupancy, solicit and obtain new tenants and renew existing Leases at the Property (including, without limitation, marketing and advertising the Property subject to the Approved Operating Budget). Target monthly occupancy rate will be a minimum of 96% occupancy. No more than annually, Manager shall prepare and submit a Leasing Plan to SHA for SHA's approval. Manager shall revise and update the Leasing Plan from time to time as requested by SHA or as may otherwise be appropriate. Manager shall negotiate leases with tenants in accordance with the Leasing Plan. Manager shall also obtain from current and prospective tenants such household income or other information as SHA requires from time to time. SHA is entitled to establish (and from time-to-time change)

monthly rent amounts, dwelling lease terms and provisions and leasing policies governing the admission, occupancy and eviction of tenants. SHA further reserves the right to establish incentives or rent concessions as needed to carry out SHA's policy goals.

ARTICLE XXXVIIILease Forms. All leases for use of the Property must be on a form approved in writing by SHA. Except with SHA's prior written consent, no lease may be for a term greater than one year or less than six months.

ARTICLE XXXVIIINo Commission. Manager is not entitled to any commission or other compensation in connection with the leasing of the Property other than the Management Fee.

ARTICLE XXXIXHousing Authorities Law. Manager shall lease and operate the Property in compliance with the Housing Authorities Law and the Low Income Housing Requirement. In connection with the Low Income Housing Requirement, Manager shall comply with the terms set forth on Exhibit C.

ARTICLE XLAdvertising. Manager shall advertise the Property for rent at such times and by use of such media as it deems necessary in accordance with the Approved Operating Budget. Any advertising plans or promotional material must be approved in advance in writing by SHA. Manager shall not use SHA's name in any advertising or promotional material without SHA's prior written approval in each instance.

ARTICLE XLITenant Relations. Manager shall enforce the provisions of all leases affecting the Property and shall timely collect the rents, parking charges, and all other charges, and revenues due from tenants. Manager shall promptly handle all complaints and requests from tenants. Manager shall notify SHA of any complaint made by a tenant that could result in any economic loss to SHA or impair, jeopardize, or interfere with the smooth and efficient operation of the Property or SHA's interest in the Property in any manner or otherwise be detrimental to SHA interests. Unless otherwise directed by SHA, following notice to SHA and an opportunity for comment by SHA (no fewer than three (3) Business Days unless the nature of the default is such that in the reasonable business judgment of Manager the operation of the Property requires more immediate notice), Manager shall promptly serve notice of default on any tenant that is not in full compliance with its lease obligations, with copies of such notices sent to SHA, and work with any such tenant toward a cure of such default. Subject to SHA's prior consent as to each step, Manager shall pursue all claims against tenants, using counsel approved by SHA, and shall not settle, compromise or waive any such claim without SHA's prior consent. Manager shall update SHA with regular reports as to all tenant disputes, claims, enforcement actions and litigation.

ARTICLE XLIIBooks and Records. **Manager shall maintain at its centralized accounting office or on the Property all Books, Records, and Documents. Unless otherwise instructed by SHA in writing, books and records of account must be prepared in conformity with generally accepted accounting principles consistently applied at Manager's sole expense. Manager shall ensure that proper internal controls are in place and observed in order to prevent fraud or loss. Except as approved in writing by SHA, all accounting functions**

must be performed by those personnel of Manager whose compensation is payable solely by Manager without reimbursement by SHA and except as provided in this Agreement SHA is not liable (and Manager shall pay) for the cost of any computer accounting and outside accounting services. All Books, Records and Documents are the property of SHA even though prepared by or in the possession of Manager. Manager shall render to SHA financial and accounting reports as required by this Agreement.

ARTICLE XLIII Repair and Maintenance. Manager shall maintain the Property in a first-class condition, implement a preventative maintenance program, regularly visually inspect the readily accessible areas of Property, and take all commercially reasonable precautions against fire, vandalism, burglary and trespass on the Property, and arrange to make all necessary repairs. Manager shall make no expenditures in excess of \$2,500 for repairs without the prior written consent of SHA unless (i) the expenditure for such repairs has been approved in the Approved Operating Budget, or (ii) the expenditure is for an emergency repair to the Property immediately necessary for the preservation or safety of the Property or for the safety of other persons. With respect to subsection (ii) of this Section, Manager shall use its best effort to contact and secure prior approval of SHA if any such emergency expenditure should be likely to exceed \$5,000. Manager shall maintain written records of inspections of the Property, maintenance and repair requests, maintenance and repair work, fire alarm and suppression equipment maintenance, and other similar activities.

ARTICLE XLIV Capital Assets. Except as contemplated by Section 4.5, Manager shall make no expenditures in excess of \$2,500 for alterations, capital improvements, renovations or replacements of furniture, fixtures or equipment, unless such expenditure is contained in the Approved Operating Budget, without the prior written approval of SHA. The Approved Operating Budget with proper documentation is deemed authorization for Manager to make budgeted expenditures without prior approval by SHA provided that (i) the amount of the expenditure is within ten percent (10%) or \$2,000.00 of the originally approved amount, whichever is greater; and (ii) Manager submits evidence of expenditure satisfactory to SHA. Manager shall make no disposition of capital assets with an original value in excess of \$1,500 without the prior written approval of SHA. All disposition of assets must be in accordance with SHA's disposition policy. In any event, Manager shall provide a record to SHA of all dispositions of fixed assets after such dispositions have been made.

ARTICLE XLV Contracts and Services. Manager shall make and execute contracts for utilities, telephone, security services, landscaping, janitorial services, pest extermination and other necessary services to enable Manager to perform the Services at the Property, with SHA's prior approval and as provided in the Approved Operating Budget. Manager shall not enter into any contract having a term of more than one year or involving an expenditure in excess of \$5,000 per year without SHA's prior written approval, unless such contract was specifically identified in the Approved Operating Budget or such contract or lease is made under circumstances which are reasonably considered an emergency immediately necessary for the preservation or safety of the

Property or for the safety of other persons. Manager shall nonetheless use its best efforts to contact and secure prior approval of SHA in the event any such emergency expenditure should be likely to exceed \$5,000. Manager shall manage and oversee all contracts that Manager enters into in accordance with this Agreement and shall ensure the contract counterparties are performing their respective obligations under such contract. Manager shall obtain and maintain complete, current insurance certificates for all contractors and other parties to agreements with SHA or Manager relating to the Property. All service contracts must: (a) be signed by Manager; (b) be assignable, at SHA's option, to SHA or SHA's designee; (c) include a provision for cancellation by Manager or, if Manager fails in its duty to cancel at direction of SHA, by SHA directly for cause, or without cause, upon not more than 30 days' written notice; (d) contain necessary language to (1) name Manager and SHA as additional insureds, and (2) ensure that SHA is protected under the contract's indemnification provision, specifically as a third-party beneficiary, to an extent at least equal to the indemnity protection afforded to Manager; and (e) require that all contractors provide evidence of insurance unless waived by Manager and SHA. Manager shall use competitive bidding or other similar commercially reasonable processes to select vendors for such contracts. Manager shall use diligent efforts to obtain discounts, commissions, or rebates obtainable as a result of such purchases or agreements and obtain the lowest possible prices as are consistent with good quality workmanship and services. At any time, SHA is entitled to review the terms and conditions of all contracts contemplated under this Section. Manager shall promptly terminate any contract that SHA has determined in its discretion is unacceptable to SHA. Without limiting in any manner Manager's obligations under this Section or the terms of this Agreement, all such contracts must be in accordance with the requirements of Sections 14.3, 14.4, 14.5, and 14.7 below.

ARTICLE XLVISupplies and Inventory. As agent for SHA, Manager shall purchase, provide and pay for supplies, tools, and equipment for the Property incident to performance of the obligations assumed by Manager under this Agreement, and as provided in the Approved Operating Budget, including all janitorial and maintenance supplies, tools and equipment, restroom and toilet supplies, electrical supplies and light bulbs, boiler room supplies, paints, uniforms, stationery and office supplies, except to the extent such supplies, tools, and equipment are provided for by contract with a third party. Manager shall maintain records for all supplies, tools, and equipment purchased under this Agreement by Manager for use in the management, operation and maintenance of the Property. Manager shall deliver and store the supplies, tools, and equipment at the Property and shall use the supplies, tools, and equipment only in connection with the Property. All supplies, tools, and equipment automatically become the property of SHA. SHA is entitled to elect to procure supplies for the Property by written notice to Manager specifying the supplies, tools, or equipment SHA intends to procure, including quantities and timing of such procurements. Purchase of and payment for supplies, tools, and equipment will be exempt from sales tax under the Housing Authorities Law, and Manager shall ensure that sales tax is not paid for exempt purchases. When taking bids or issuing purchase orders, Manager shall use diligent efforts to obtain discounts, commissions, or rebates obtainable in connection with such purchases. Manager shall conduct a physical inventory of the personal property,

supplies, tools, and equipment used in connection with the Property at the commencement and termination of the Agreement and at the end of each calendar year.

ARTICLE XLVIITaxes and Assessments. Manager shall pay debt service, taxes, impositions, or assessments relating to the ownership or operation of the Property (including without limitation improvement assessments, real estate taxes, personal property taxes, taxes on income or rents, and any charges similar to or in lieu of any of the foregoing) if and only as directed in writing by SHA. When requested by SHA, Manager shall verify bills for real estate, personal property or other taxes, improvement assessments, and other similar charges which are or may become liens against the Property or which may be levied on the basis of ownership or operation of the Property. When requested by SHA, Manager shall refer SHA to a third party services provider to render advice and assistance to SHA in the negotiation and prosecution of all claims for the reduction or equalization of property tax assessments and other assessments affecting the Property. Upon SHA's request, Manager shall reasonably cooperate with SHA in gathering data for tax returns or related filings for SHA or otherwise with respect to the Property; provided, however, that Manager is not responsible for preparing or filing such tax returns or related filings.

ARTICLE XLVIIICompliance with Laws, Agreements, Etc.

ARTICLE XLIXGovernmental Requirements. Manager shall operate the Property in compliance with all Governmental Requirements that are now or may in the future be promulgated insofar as they relate to Manager's performance of this Agreement. Manager shall give prompt notice to SHA of any violation or notice of alleged violation of any Governmental Requirements. Manager, to the extent permitted under the Approved Operating Budget and, when not so permitted, following authorization from SHA, shall promptly remedy any and all violations of any applicable Governmental Requirement at the Property, except in cases where SHA is contesting or intends to contest such Governmental Requirement (in which case SHA shall give Manager prompt written notice of its decision to so contest) or in those cases where SHA directs otherwise. Manager shall not knowingly, directly or indirectly, suffer, permit or make any use of the Property that is prohibited by any Governmental Requirements. At SHA's request, Manager shall prepare, execute, and, after obtaining the written approval of SHA, file any customary and standard reports and documents required by an applicable governmental authority.

ARTICLE LLicenses and Permits. Manager shall obtain and maintain, either directly or in conjunction with SHA as necessary or appropriate, all necessary licenses and permits required by any governmental agency for the operation and maintenance of the Property and as may be necessary to provide the Services. The cost of such licenses and permits are reimbursable to Manager from the Operating Account. Notwithstanding the foregoing, Manager shall obtain and maintain, at Manager's sole expense, all licenses and permits necessary for the conduct of its business as Manager of the Property.

ARTICLE LIProperty Agreements. Manager shall use reasonable efforts to perform all of the obligations and duties to be performed by SHA under the Property Agreements (and such other agreements as may be entered into by SHA and delegated to, and accepted by, Manager from time to time), subject to SHA providing any necessary funds and information. Except as to the

obligation of the Manager to use reasonable efforts to perform the obligations and duties set forth in such Property Agreements, SHA remains liable under the Property Agreements.

ARTICLE LIExpenses. Expenses incurred in complying with, or remedying violations of any Governmental Requirements or Property Agreements will be paid as provided in the Approved Operating Budget. When the amounts specified in the Approved Operating Budget are insufficient, or in the event Manager lacks necessary information or documentation to so comply or remedy, Manager shall notify SHA as soon as possible and SHA shall provide needed funds, information or documentation or take such other action as it deems appropriate. Manager is not responsible for compliance with or remedying a violation of a Governmental Requirement where SHA elects not to provide funds in a specific instance or to proceed to, or authorize work or other activity to, comply or remedy such violations. Notwithstanding anything to the contrary set forth in this Agreement, Manager is solely responsible for paying all costs and expenses incurred to remedy violations of any Governmental Requirements or Property Agreements that are caused by or arise out of the acts or omissions of Manager or any of its employees, contractors, subcontractors, consultants, subconsultants, agents, representatives or other persons acting on its behalf or under its supervision.

ARTICLE LIIIEnergy and Water Conservation. Manager shall use and control utilities at the Property in a prudent and efficient manner to minimize total costs and satisfy SHA's obligations to tenants.

ARTICLE LIVInvestigations and Notices. Manager shall investigate all incidents or accidents which give rise, or might give rise, to a claim for damages relating to the ownership, operation or maintenance of the Property, including any damage or destruction to the Property, and notify SHA in writing as soon as practical and not later than within one (1) Business Day of such incidents or accidents. Manager shall cooperate with and make all reports as required or authorized by SHA. Manager shall forward to SHA any summons, subpoena, or other legal document served upon Manager relating to actual or alleged potential liability of SHA, or the Property immediately upon receipt. Manager shall only act with the prior written approval of SHA with respect to any claim, including, without limitation, any personal injury or liability claims. Manager shall ensure that copies of all settled claims are forwarded to SHA. Manager shall immediately provide to SHA any notice received by Manager alleging a default by SHA or Manager under a service, supply or labor contract, and Property Agreements, or any other agreement affecting the Property.

ARTICLE LVInformation Technology Support Services. Manager shall provide all technical support services to maintain the operation and security of the Property's technology systems and equipment.

ARTICLE LVIWarranty Administration. Manager shall manage building and equipment warranties and ensure that contractors comply with terms and delivery of warranty services. Manager shall not take any action (or fail to take any action) that would have the effect of voiding or otherwise abrogating any warranty impacting any improvements, equipment or other facility or component of the Property, without the prior express

approval of SHA. Manager shall maintain a list and copies of all warranties, maintenance and operating manuals for goods, equipment and machinery purchased or installed by Manager or SHA as well as warranties delivered to Manager by SHA or SHA's contractors or consultants, and shall use and enforce such warranties when maintaining, repairing and replacing any such items. Manager shall notify SHA in writing in the event any warranty is accessed to maintain, repair or replace any item. Unless otherwise approved by SHA, the Approved Operating Budget must not reflect the maintenance, repair or replacement cost of goods, equipment or machinery covered under a warranty and Manager is not authorized to separately contract for services, maintenance or repairs that are covered by a warranty.

ARTICLE LVIIOther. Without limiting any of the foregoing, or any other terms or provisions of this Agreement, Manager shall comply with and implement key SHA goals for property management performance as they may change from time to time, subject to the Approved Operations Budget, and so long as Manager is made aware of such goals and requirements.

ARTICLE LVIII

ENVIRONMENTAL RESPONSIBILITIES

ARTICLE LIXEnvironmental. This Agreement and Manager's performance of the Services is subject to the following:

ARTICLE LXProcedures, Training, Permits and Licenses. Manager shall develop procedures and provide training to staff in the identification, handling, clean up and proper disposal of Hazardous Materials encountered on the Property and shall obtain and maintain all necessary permits and licenses and Material Safety Data Sheets (MSDS).

ARTICLE LXIProhibition. Manager shall not, nor shall it authorize or permit any Person to, use any portion of the Property to generate, manufacture, refine, transport, treat, store, use, sell, recycle, handle, dispose of, transfer, produce or process any Hazardous Materials, except for such Hazardous Materials in such quantities as are useful and appropriate for the operation and maintenance of the Property, and in such event, in a manner commensurate with the operation of similar properties and in compliance with all applicable Governmental Requirements and Environmental Laws. Manager shall not cause, authorize or permit the release, spill, leaking, pumping, pouring, emitting, discharging, leaching, disposing or dumping of any Hazardous Materials on, in, under, about or from any portion of the Property.

ARTICLE LXIINotice. Manager shall advise SHA in writing promptly upon (i) Manager's discovery of the presence or release of any Hazardous Materials in, on, under, about or from any portion of the Property; and (ii) any remediation Manager believes may be required to remedy such Hazardous Materials contamination. Manager and SHA shall provide each other with copies of any notices received by either party from any government agency relating to the environmental condition of, or activity on or about, any portion of the Property, within promptly after receipt of same. Manager shall not engage in investigation or remediation work relating to

any Hazardous Materials, and shall not meet or consult with any government agency, without the prior written consent of SHA.

ARTICLE LXIIIIndemnification. To the fullest extent permitted by law, Manager shall indemnify, hold harmless, and defend Indemnitees from and against any and all liabilities, losses, and damages including, but not limited to, damages for the loss or restriction on use of rentable or usable space, judgments, fines, demands, claims, recoveries, deficiencies, cost and expenses including, but not limited to, reasonable attorney's fees, court costs and all other professional or consultant's expenses, caused by or arising out of the use, generation, storage, treatment, on or off-site disposal or transportation of Hazardous Materials on, into, from, under, over or about the Property by Manager, or Manager's agents or contractors, including the cost of any restoration, clean-up or detoxification of the Property during the Term or after the expiration of this Agreement. The foregoing indemnity survives the expiration or termination of this Agreement.

ARTICLE LXIV

REPORTING

ARTICLE LXVMonthly Operations Report. **On or before the 10th calendar day of each month, Manager shall prepare and submit to SHA a Monthly Operations Report for the immediately preceding month in a form approved in advance by SHA containing:**

ARTICLE LXVIincome and expense report,

ARTICLE LXVIIrent roll (as of the last day of the applicable month), including vacancy data,

ARTICLE LXVIIIa statement of operations comparing Approved Operating Budget income and expenses to actual income and expenses, monthly and year to date variance, with line item comments on 10% or more or \$10,000 variance, or after the first quarter of the year, variances of 5% or more or \$10,000,

ARTICLE LXIXproperty inspection results,

ARTICLE LXXstatus of building capital improvement work,

ARTICLE LXXIany repair and maintenance programs,

ARTICLE LXXIIcurrent leasing activity and market reports,

ARTICLE LXXIIIa summary of vendor service contracts and insurance certificates,

ARTICLE LXXIVaccounts receivable report, including aging by tenant and action items on collection effort,

ARTICLE LXXVlitigation reports, if any, and

ARTICLE LXXVIinsurance incident and claim reports, if any.

ARTICLE LXXVIIMonthly Financial Report. On or before the 20th calendar day of each month, Manager shall prepare and submit to SHA a monthly financial report for the immediately preceding month prepared in accordance with generally accepted accounting principles related to real estate, consistently applied in a form approved in advance by SHA containing:

ARTICLE LXXVIIIa profit and loss statement;

ARTICLE LXXIXa balance sheet showing cash on hand and in bank accounts, cash advances from SHA and cash distributions to SHA;

ARTICLE LXXXa monthly trial balance using a chart of accounts in the form provided to Manager by SHA;

ARTICLE LXXXIa general ledger as of the last day of each month for the entire month;

ARTICLE LXXXIIa cash flow report as of the last day of each month for the entire month;

ARTICLE LXXXIIIa detailed compilation of all disbursements during the current month;

ARTICLE LXXXIVa schedule listing all building capital expenditures for the reporting period, including a statement of the stage of completion and the monies remaining to be spent to complete same; and

ARTICLE LXXXVcopies of bank statements and bank reconciliations for all accounts held for or on behalf of Property and SHA.

ARTICLE LXXXVIUnaudited Income and Expense Statement. Within 30 days after the end of each calendar year, Manager shall deliver or cause to be delivered to SHA an unaudited income and expense statement showing the results of operation of the Property during the preceding year, in a form reasonably acceptable to SHA

ARTICLE LXXXVIIOther Reports. Manager shall furnish to SHA, as promptly as practicable, any reports required by the Property Agreements in the time and manner required by the Property Agreements, and such other reports, statements or other information with respect to the operation and finances of the Property as SHA may reasonably request both on a monthly or other periodic time frame.

ARTICLE LXXXVIIIFinal Accounting. Manager shall deliver (a) a listing of all resident security obligations within five (5) days and (b) a final accounting for the Property to SHA within sixty (60) days after the effective date of any termination (whether or not for cause) of this Agreement. Such final accounting must set forth all current income, all current expenses and all other expenses contracted for on SHA's behalf but not yet incurred in connection with the Property, together with such other information as may be reasonably requested by SHA.

ARTICLE LXXXIX

INDEMNIFICATION; INSURANCE

ARTICLE XCIndemnification by Manager. To the fullest extent permitted by law, Manager shall defend, indemnify, and hold harmless the Indemnitees from and against any Claims that any of the Indemnitees may suffer, sustain or incur arising out of or in connection with:

ARTICLE XCIManager's Services or work on, and Manager's operation, maintenance, or occupation of, the Property, including but not limited to any acts, errors or omissions, willful misconduct, or fraud of Manager, its employees, contractors, subcontractors, agents, or others working on behalf of Manager, whether active or passive, actual or alleged, whether in the provision of the Services, failure to provide any or all of the Services, or otherwise;

ARTICLE XCIIany Default by Manager of this Agreement;

ARTICLE XCIIIassertions under workers' compensation or similar employee benefit acts by Manager or its employees or agents, or any failure by Manager to pay any employment benefits and any taxes required of it of any nature whatsoever;

ARTICLE XCIVManager's failure to comply with any Governmental Requirements in connection with Manager's performance under this Agreement;

ARTICLE XCVClaims by any employee of Manager including, without limitation, for bodily injury, death, wrongful discharge, or other employment practices liability; and

ARTICLE XCVIany infringement or alleged infringement of any patent, copyright, trade secret or other proprietary right of any third party relating to the Services performed under this Agreement.

The foregoing indemnification applies irrespective of whether (a) Claims are asserted by any Indemnitees or by unrelated third parties against the Indemnitees, including but not limited to occupants, tenants, and invitees of or to those portions of the Property which fall under Manager's control, authority, duties, responsibility, management, or oversight, or (b) the Indemnitees or others are partially, or are alleged to be partially, at fault for the Claims. Notwithstanding the foregoing, Manager is not required to indemnify the Indemnitees against Claims to the extent that such Claims result directly from the gross negligence, willful misconduct, or fraud of the Indemnitees. Nothing contained in this Agreement relieves Manager of any responsibility for Claims regardless of whether Manager is required to provide insurance covering such Claims or whether the matter giving rise to the Claims is the responsibility of Manager's agents, employees, contractors, or subcontractors. Each Indemnitee has the right to participate in the defense of any claim against it that is covered by Manager's obligations under this Section 7.1, including the right to retain its own legal counsel of its choice in the event a conflict of interest exists between Indemnitee and Manager. Nothing in this Agreement limits an Indemnitee's rights as an additional insured on Manager's insurance required under Section 7.2.

Except as otherwise provided for in this Section 7.1 regarding third-party claims, Manager is not liable to Indemnitees for loss of profits or for indirect, special, or consequential damages. Manager shall promptly pay over, reimburse, and make good to Indemnitees all sums of money that Manager is obligated to pay by any reason of Manager's indemnification obligations under this Agreement.

Manager acknowledges that the foregoing indemnities are specifically and expressly intended to constitute waiver of the Manager's immunity under Washington's Industrial Act, RCW Title 51, and that this waiver has been specifically negotiated and agreed upon by the parties.

The provisions of this Section 7.1 survive the expiration or the termination of this Agreement.

ARTICLE XCVIII Insurance Requirements.

ARTICLE XCVIII Manager shall secure and maintain in full force and effect for the full Term of this Agreement, at Manager's sole cost and expense, except to the extent set forth in the Approved Operating Budget, the insurance coverage, with the required terms and conditions, set forth in this Section 7.2:

ARTICLE XCIX Workers Compensation Insurance in compliance with the laws of the State of Washington, including Employers Liability Insurance, in an amount not less than \$1,000,000 per occurrence.

ARTICLE C Manager has the responsibility to manage, operate, conduct day-to-day maintenance, and coordinate and oversee other parties' work on the Property. Its Commercial General Liability Insurance must cover such responsibilities and must be written on an occurrence form with defense costs in addition to limits, insuring Bodily Injury, Personal Injury, and Property Damage, including Premises and Operations coverage for the entire Property, Product and Completed Operations coverage, Contractual Liability coverage, Independent Contractors coverage, Personal Injury and Advertising Injury coverage, and without exclusion for explosion, collapse or underground hazards, in an amount not less than \$1,000,000 per occurrence, and not less than \$2,000,000 in the aggregate for this location and Agreement. The Indemnitees must be named as additional insureds on an endorsement approved by SHA. The insurance must be the primary coverage for all Claims of whatever type and nature, must provide coverage for the Premises risk for the entire Property and must not seek contribution from any insurance or self-insurance maintained by the additional insureds. The Commercial General Liability Insurance must provide coverage for third-party injuries and losses which may occur, have occurred, or are alleged to have occurred, and must respond whether or not a claimed loss has, or has not, been proven to be valid; subject to the terms and conditions of the policy.

ARTICLE CI Comprehensive Automobile Liability Insurance on all owned, non-owned, hired or leased automotive equipment used in the performance of the Services, in an amount not less than \$1,000,000 per occurrence, combined single limit, written on an occurrence form.

ARTICLE CII Excess or Umbrella Liability Insurance excess of the underlying Commercial General, Automobile, and Employer's Liability, in an amount such that when added to the primary coverage required above is not less than \$5,000,000 per occurrence,

written on an occurrence form, and not less than \$5,000,000 in the aggregate for this location and Agreement. The policy must be concurrent with and follow the form of the underlying insurance, including additional insured provisions and must be primary and noncontributing with any insurance maintained by the additional insureds.

ARTICLE CIIIAll-Risk Property Insurance in an amount equal to the replacement value of Manager's personal property and equipment at the Property, if any.

ARTICLE CIVFidelity Insurance for the benefit of SHA, including both first-party and third-party fidelity coverage, covering all of Manager's employees involved in handling or accounting for cash and other types of monetary instruments taken in by Manager in the course of business (including but not limited to checks and credit card transaction records), and Crime Insurance covering Manager's collection and retention of funds received in the course of business for loss exposures including, but not limited to, theft (inside and outside), robbery, mysterious disappearance, computer fraud, and depositor's forgery, in each case with limits of not less than \$1,000,000 per claim.

ARTICLE CVOn insurance policies where the SHA and the Indemnitees are named as additional insureds, SHA and the Indemnitees must be additional insureds to the full limits of liability purchased by the Manager, even if such limits of liability are in excess of those required by this Agreement. If a policy has language to the contrary, Manager shall secure and provide to SHA an endorsement removing such limitation. Any agreements entered into by either Manager or SHA, subsequent to the effective date of this Agreement with respect to the Property must name SHA and Manager as additional insureds (on all applicable coverages) and, to fullest extent obtainable, must provide for a waiver of subrogation.

ARTICLE CVIThe limits of coverage set forth in this Agreement are only minimum requirements and do not serve to limit any higher levels of coverage otherwise purchased by Manager.

ARTICLE CVIIManager's insurance coverages required in this Agreement must include a waiver of the insurance companies' rights of subrogation against SHA and the Indemnitees and SHA shall cause its insurance companies to waive their rights to subrogation against Manager.

ARTICLE CVIIIPrior to the beginning work under this Agreement, Manager shall submit to SHA evidence of the coverages required in this Section 7.2, and within 30 days of the Commencement Date shall submit endorsements to Manager's coverage in form and substance satisfactory to SHA as required in this Section 7.2, including additional insured requirements. The General Liability Insurance policy must further provide for severability of interests such that Manager is insured against any claims that may be brought by the additional insureds. If the insurance information is not submitted within ten (10) days from the due dates set forth in this Agreement, then following three (3) Business Days prior written notice to Manager for an opportunity to cure, SHA is entitled to terminate this Agreement for cause. In the event of cancellation or non-renewal of any insurance coverage or insurance policy required in this Section 7.2, Manager shall provide at least thirty (30) days prior written notice of such cancellation or non-renewal to SHA, and ten (10) days prior written notice of cancellation if cancellation is for non-

payment of premium. The written notice of cancellation must be delivered by certified or registered mail to SHA. Should any policy expire or be canceled before final payment to Manager and Manager fails to immediately procure other insurance as specified, SHA is entitled to procure such insurance as will protect SHA from such failure, and to charge Manager for such costs and deduct the cost from any sum due Manager under this Agreement. Exercise of the remedies set forth in this Section 7.2 are alternatives to other remedies SHA might have and are not the exclusive remedies for Manager's failure to maintain insurance or secure and provide appropriate certificates and endorsements.

ARTICLE CIXAll insurance required by this Agreement must be written by insurance carriers licensed to do business in the State of Washington, and such carriers must be rated no less than A VII by the most current listing in Best's Key Rating Guide. The insurance required in this Agreement may contain a deductible only if the deductible does not to exceed \$25,000 per occurrence. Any deductible must be disclosed to SHA. Self-insurance of any coverage, or part of any coverage, is only be permitted upon SHA's written consent, in its sole discretion. Manager shall pay any deductibles or self-insured retentions without reimbursement from SHA.

ARTICLE CXIn the event that a claim or other legal action is filed against SHA, and if SHA, in its good faith opinion, believes it may have coverage under any of the insurance required in this Agreement, then SHA is entitled to demand, and to receive within a reasonable time period, copies of the insurance policies related to such required insurance. This provision does not apply if the parties agree that Manager will fully defend, hold harmless, and indemnify SHA against any such claim or other legal action.

ARTICLE CXINothing contained in this Agreement is to be construed as limiting in any way the extent to which Manager may be held responsible for payments of damages to persons or property resulting from Manager's, (or Manager's contractors/subcontractors, if any) performance of the Services provided under this Agreement.

ARTICLE CXIIIIf Manager hires other persons or firms to perform some of the work related to this Agreement, Manager shall ensure, and certify to SHA in writing, (i) that the acts or omissions of such persons or firms are covered under the above-referenced liability insurance, or (ii) that such firms maintain insurance equal to or better than, and subject to the same limits, terms and conditions as, the insurance required of Manager under this Agreement; and in either instance, SHA is entitled to require that Manager provide, or cause to be provided, evidence of such insurance coverage reasonably acceptable to SHA.

ARTICLE CXIIISHA's Risk Manager is authorized to reduce the requirements set forth in this Agreement in the event he or she determines that such reduction is in SHA's best interest.

ARTICLE CXIV

SHA'S RIGHT TO AUDIT; PROPERTY INSPECTION

ARTICLE CXVAnnual Audit. At the end of each calendar year during the Term and as of the Termination Date, Manager shall assist SHA with an annual audit of the books and records of the Property made by the Washington State Auditor or an accounting firm

selected by SHA. At SHA's request, Manager shall assist with any subsequent audits required by any federal, state, county, or municipal authority relating to the Property.

ARTICLE CXVISHA's Right to Audit. SHA is entitled to audit and to examine the Books, Records, and Documents, and any cost, revenue, payment, charges, claim, other record, or supporting documentation resulting from any items set forth in this Agreement. Any such audit may be undertaken by SHA or SHA's representatives (collectively referred to in this Article as "SHA") at reasonable times and in conformance with generally accepted auditing standards. SHA's rights to audit include the right to contact third parties to confirm entries in Manager's supporting documentation. Manager shall fully cooperate with any such audits and shall make office and support facilities available to SHA as may be reasonably necessary to complete any audits and inspections. At SHA's request, Manager shall make any Books, Record, and Documents available to the SHA. Manager shall also provide SHA with copies of specifically identified Books, Records, and Documents.

ARTICLE CXVIIAudit Period. SHA's right to audit extends during the Term and for a period of three years following the Termination Date, or until any on-going audit is completed if the audit is commenced prior to the date that is three years following the Termination Date.

ARTICLE CXVIIIAudit Results. SHA shall notify Manager in writing of any exception taken as a result of an audit. Should an audit discover either weaknesses in internal control or errors in recordkeeping, Manager shall correct such discrepancies either upon discovery or within a reasonable period of time. Manager shall inform SHA in writing of the action taken to correct any audit discrepancies. Any adjustments or payments which must be made as a result of any such audit or inspection of Manager's records must be made within thirty (30) days from presentation of SHA's finding to Manager. If Manager fails to make such payment, Manager shall pay interest accruing monthly at a rate of twelve percent (12%) per annum or the highest interest rate permitted by law, whichever is lower. Interest will be computed from the date of written notification of exceptions to the date Manager reimburses SHA for all exceptions. If an audit inspection or examination in accordance with this Article discloses overcharges or underpayment (of any nature) by Manager to SHA in excess of one percent (1%) of the total billings for the period being audited, Manager shall reimburse to SHA the actual cost of SHA's audit.

ARTICLE CXIXAgreements with Subcontractors. Manager shall include a clause in its agreements with subcontractors reserving the right for audits to be performed by its own employee representatives or its contracted representatives, and representatives from SHA, or its contracted representatives, who have the right to audit and examine any cost, revenue, payment, charges, claim, other record, or supporting documents resulting from any items set forth in its agreements. The clause must further set forth that this right to audit extends during the length of this Agreement and for a period of three years following the Terminate Date, or until any on-going audit is completed if the audit is commenced prior to the date that is three years following the Termination Date.

ARTICLE CXXProduction of Documents. Manager shall, upon SHA’s written request from time to time, submit copies of any contract, bill, license, agreement or any other Books, Records, or Documents relating to the Property or to this Agreement in Manager’s possession to SHA. Copies of all fully executed leases and lease-related documents must be retained or sent to SHA promptly upon their execution.

ARTICLE CXXIInspections. SHA (and SHA’s designees) are entitled to inspect the Property at any and all times, and from time to time, without notice. Manager shall fully cooperate with SHA (and SHA’s designees) to facilitate any such inspection.

ARTICLE CXXII

FINANCIAL MANAGEMENT AND ACCOUNTING

ARTICLE CXXIIIInitial and Annual Approved Operating Budgets. At the commencement of this Agreement and on or before October 1 of each calendar year during the Term, Manager shall prepare and submit to SHA a proposed operating budget for operation, repair, improvement, maintenance, leasing, and marketing of the Property for the upcoming calendar year. The proposed budget must show the estimated income and expenses of the Property on a month-by-month basis and must be prepared in conformity with generally accepted accounting principles consistently applied. Manager will include a detailed explanation for the numbers used in the budget, including a market analysis and rental rate recommendations. Each budget must also include a list of all capital improvement and all repair maintenance, renovation, and replacement expenditures (together with estimated costs for each item) anticipated to be made in the upcoming operating period and a payroll analysis including a salary or wage description for all Property Staff. Manager shall submit the annual budget in a form approved in advance by SHA. SHA reserves the right to change the budget format at any time. SHA will consider each proposed budget and will consult with Manager prior to the commencement of the calendar year in order to agree on an “Approved Operating Budget.” Manager shall not make any changes to the Approved Operating Budget or any line item in the Approved Operating Budget without SHA’s prior written approval. If written approval or disapproval of the proposed budget has not been received by Manager by the commencement of the year, Manager shall, to the extent possible, continue to operate the Property subject to the budget in place for the prior year, and shall inform SHA of any budget items in excess of the prior year’s budget which must be funded prior to agreement on an Approved Operating Budget for the current year. Manager agrees to use diligence and to employ all reasonable efforts to ensure that the actual costs of operations do not exceed the total Approved Operating Budget. Manager shall inform SHA not less than monthly of increases in costs and expenses that were not foreseen during the preparation of the Approved Operating Budget. Any increase of more than 5% or \$50,000 (whichever is lower) in the dollar amount allocated to a category or item within the Approved Operating Budget requires SHA’s express, written prior approval; provided, any increase not requiring SHA’s approval remains subject to the total, not-to-exceed amount of the Approved Operating Budget. Within thirty (30) days after the end of each calendar year, Manager shall certify to SHA in writing the income and expense figures for the Property for the prior year.

ARTICLE CXXIV Financial Management and Accounting. Manager will provide financial management and accounting services for the operation and maintenance of the Property to support, and as necessary, reasonable and appropriate for, the Services described in this Agreement. Financial management and accounting services include, but are not limited to at least the following required Services:

ARTICLE CXXV Bank Accounts. Obtaining and maintaining the accounts described in Section 9.3.

ARTICLE CXXVI Reports. Preparing and timely delivering the reports described in Article VI.

ARTICLE CXXVII Invoices. Approving, signing off, and coding all invoices using specific account codes, assuring that sufficient detail and back-up information for contractor, subcontractor, mark-up, labor, materials, etc. is provided.

Manager shall not use any funds of SHA for any purpose other than the management of the Property as provided in this Agreement. Among other things, Manager shall not use any funds of SHA for rebates, kickbacks, or bribes, nor shall any such funds be contributed to any charitable organization, political party, committee, or campaign of any candidate for public office.

ARTICLE CXXVIII Bank Accounts.

ARTICLE CXXIX Operating Account. Manager shall establish an “Operating Account,” in trust for SHA in a bank or other institution approved or selected by SHA, which is a centralized disbursement account, the funds of which must be used for the deposit of all funds received from the operation of the Property and to pay the normal and reasonable expenses incident to the operation and maintenance of the Property pursuant to this Agreement and as requested by SHA. The Operating Account will also be used to pay debt service relating to the Property if requested by SHA pursuant to Section 4.9.

ARTICLE CXXX Security Deposit Account. Manager shall establish a “Security Deposit Account,” as required by applicable law, for the retention of security deposits delivered in connection with leases of any portion of the Property. The Security Deposit Account must be established in trust for SHA in an account in a federally insured national or state bank in King County, Washington approved or selected by SHA. The total amount of deposit must at no time exceed the federally insured limit. The Security Deposit Account is to be established solely for the Property and must not contain funds other than deposits collected in connection with operation of the Property. Manager shall not commingle any of its own funds with the funds in the Security Deposit Account. All funds deposited in the Security Deposit Account must be held in trust by Manager for SHA (or the tenants of the Property as applicable)

ARTICLE CXXXI Replacement Reserve Account. SHA shall establish a “Replacement Reserve Account,” which will be used for making “Replacement Reserve Deposits” with funds received from the operation of the Property. [####Replacement Reserve Deposits will be made monthly at pro rata rate of \$300 per unit per year in the first calendar year of the Term

and increasing 3% in each subsequent calendar year.###] With written approval from the SHA, Replacement Reserve Account funds may be transferred to the property's General Operating Account to reimburse for any expenditures on capital projects or routine replacements included in the Approved Operating Budget.

ARTICLE CXXXIIInterest on Accounts. All accounts established must be interest bearing unless the cost of establishing an interest bearing account exceeds the anticipated interest accrual. All interest is the property of SHA.

ARTICLE CXXXIIIGeneral. Manager shall give written notice to SHA of the number and location of all of SHA's accounts. If more than one account is required to operate the Property, each account must have a unique name.

ARTICLE CXXXIVProcedure for Payment of Expenses. **Manager shall submit invoices to SHA for reimbursements of eligible expenses on a monthly basis no later than fifteen (15) calendar days after the end of each month and shall include only those expenses that were paid or incurred during the invoiced month. Manager shall submit to SHA backup for all expenses and any other amount to be paid to Manager as provided in this Agreement or which SHA is to reimburse Manager as provided in this Agreement. Manager shall disburse funds from the Operating Account only after verifying the accuracy of the invoices.**

ARTICLE CXXXVThe following support documentation must be provided, in an organized manner, for each invoice:

ARTICLE CXXXVISummary of each account for the monthly accounting period including the vendor, amount, description and check number of each expense paid for, followed by the total for that account.

ARTICLE CXXXVIIA copy of the check for each disbursement.

ARTICLE CXXXVIIIA copy of the bill with all backup documentations and costs as reasonably deemed necessary by SHA.

ARTICLE CXXXIXManager shall process bills in a timely manner to avoid late charges. SHA shall only pay late fees if such late fees result from SHA's failure to sufficiently fund the Operating Account or provide timely approvals.

ARTICLE CXLAuthorized Expenses.

ARTICLE CXLIManager's Personnel Costs. All actual documented expenses incurred by Manager in the performance of its obligations under this Agreement that are described as reimbursable in this Agreement shall be reimbursed by SHA. Such expenses and reimbursables must be paid monthly with funds drawn from the Operating Account in accordance with Section

9.4. SHA agrees to reimburse Manager for the Employee Burden of the Property Staff, and SHA's only obligation with respect to Property Staff is to reimburse Manager the Employee Burden. All salaries, wages, and all compensation and benefits of the Property Staff are deemed to be expenses of Manager reimbursable by SHA only to the extent their time is devoted to the Property, which must be evidenced by payroll and time logs certified by Manager. No moving expenses or educational expenses of any Property Staff will be paid or reimbursed by SHA unless SHA has given its prior written approval.

ARTICLE CXLII Costs Eligible For Payment from Operating Account. Manager shall pay from the Operating Account all expenses properly incurred by Manager pursuant to this Agreement that are set forth in the Approved Operating Budget or otherwise approved by SHA in writing and that are described as reimbursable in this Agreement, including the following expenses:

ARTICLE CXLIII Cost incurred by Manager in connection with all service agreements properly entered into pursuant to this Agreement and all Property Agreements to the extent SHA has requested that Manager make any payments or perform any duties under the Property Agreements;

ARTICLE CXLIV Cost of collection of delinquent rentals collected through a collection agency or other third party approved by SHA;

ARTICLE CXLV Legal fees of attorneys provided such attorneys have been approved by SHA in writing in advance of retention;

ARTICLE CXLVI Cost of printed checks for each bank account required by SHA and cost of printed forms and supplies required for use at the Property;

ARTICLE CXLVII Cost of SHA-approved advertising and promotional material;

ARTICLE CXLVIII The Management Fee;

ARTICLE CXLIX Utility costs;

ARTICLE CL Costs of supplies purchased by Manager pursuant to Section 4.8; and

ARTICLE CLI Automobile travel expenses for Manager's On-Site Manager identified in the Staffing Plan in his/her capacity as an On-Site Manager if (1) the On-Site Manager maintains a contemporaneous written log of the date, purpose, and distance of such travel, and (2) any travel outside of King County is approved in advance in writing by SHA. No travel expense other than mileage is an expense of SHA unless approved by SHA in advance in writing or in the Approved Operating Budget. Mileage will be reimbursed at the IRS rate in effect at the time of travel.

ARTICLE CLIINon-reimbursable Costs. The following expenses or costs incurred by or on behalf of Manager are at the sole cost and expense of Manager and are not reimbursable by SHA:

ARTICLE CLIIIcosts of gross salary and wages, payroll taxes, insurance, workmen's compensation, and other benefits of Manager's personnel, except such costs pertaining to the Property Staff;

ARTICLE CLIVcosts of insurance required to be maintained by Manager at its own expense under this Agreement or purchased by Manager for its own account, except to the extent approved by SHA as part of an Approved Operating Budget, in which case liability insurance per-occurrence deductibles, not to exceed \$10,000 per occurrence, incurred by Manager under a liability insurance policy approved for reimbursement as part of an Approved Operating Budget are deemed a reimbursable cost;

ARTICLE CLVcosts of entertainment;

ARTICLE CLVIpolitical or charitable contributions;

ARTICLE CLVIImoving, training, or educational expenses for any of Manager's personnel, including Property Staff

ARTICLE CLVIIIcosts of forms, stationery, ledgers and other supplies and equipment used at Manager's corporate office except such forms as may be used exclusively for the benefit of the Property or SHA;

ARTICLE CLIXcosts of employee bonuses, incentive compensation or pay advances except such costs for Property Staff approved by SHA as part of the Approved Operating Budget;

ARTICLE CLXcosts for travel for Manager's personnel except as set forth in Section 9.4(b) above;

ARTICLE CLXIcosts of general accounting and reporting services, as such services are considered to be within the reasonable scope of Manager's Services and are compensated for as part of the Management Fee;

ARTICLE CLXIIcosts attributable to losses arising from negligence, willful misconduct, fraud or breach of this Agreement on the part of Manager or Manager's employees, officers, directors, contractors and subcontractors;

ARTICLE CLXIIIManager's corporate office employee training expenses and recruiting fees;

ARTICLE CLXIVcosts of providing fidelity and crime insurance as set forth in Section 7.2(a)(6); and

ARTICLE CLXVany costs and expenses incurred by Manager or its personnel

which are not directly related to the services to be performed on behalf of SHA under this Agreement;

ARTICLE CLXVIany costs and expenses incurred by Manager or its personnel that are not specifically identified in this Agreement for reimbursement by SHA;

ARTICLE CLXVIIcosts not contemplated in Approved Operating Budget unless approved by the SHA.

ARTICLE CLXVIII

SHA'S RESPONSIBILITIES

ARTICLE CLXIXOffice and Equipment. SHA shall, at its expense, provide to Manager suitable office space, as determined by the SHA, acting in its sole and absolute discretion, including any equipment or office furnishings in the Property, free of any rent or other charges, for Manager to properly fulfill its duties and obligations under this Agreement with respect to the Property. Any repair, renovation or replacement of Manager's office space, furniture and equipment is subject to the Approved Operating Budget. Upon termination of this Agreement, the office space, furniture and equipment must be in good condition, reasonable wear and tear excepted. Manager has only a right to use the space, furniture and equipment and not an interest in such property.

ARTICLE CLXXAll-Risk Property Insurance. Throughout the Term of this Agreement, SHA shall carry, or shall cause to be carried, All-Risk Property Insurance covering the Property and any SHA-owned equipment permanently affixed to the Property (in the amount of the full replacement cost), and covering SHA's personal property, subject to the same coverage terms and conditions as SHA procures for the rest of its insured property. Such Property Insurance may be combined with, or provided under, SHA's blanket property insurance on all its structures and facilities.

ARTICLE CLXXI

REPRESENTATIONS AND WARRANTIES

ARTICLE CLXXIIManager's Representations and Warranties.

ARTICLE CLXXIIIManager's Expertise. Manager represents and warrants that it has or will retain skilled, experienced and sophisticated employees in each of the areas of expertise included in the Services, including property management, leasing of residential properties, and general operations and maintenance services, and that such individuals have, cumulatively, all the expertise necessary to perform all of the Services under this Agreement.

ARTICLE CLXXIVPower. Manager has the full power, authority and legal right to enter into this Agreement and to consummate the transactions contemplated by this Agreement and the individuals executing this Agreement on behalf of Manager have the corporate power, right and actual authority to bind Manager to the terms and conditions of this Agreement.

ARTICLE CLXXVConflicts. The execution and delivery of this Agreement, the incurring of the obligations set forth in this Agreement and the compliance by Manager with the terms of this Agreement and the documents referenced in this Agreement (i) do not conflict with Manager's organizational documents, (ii) do not, to the knowledge of Manager, violate any Governmental Requirements, and (iii) do not conflict with and will not result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or document to which Manager is a party.

ARTICLE CLXXVIGeneral Representation. No representation, warranty or statement of Manager in this Agreement, or in any document, certificate or schedule furnished or to be furnished to SHA by Manager (whether before or after the Commencement Date) knowingly or intentionally contains or will contain any untrue statement of a material fact or knowingly or intentionally omits or will omit to state a material fact necessary to make the statements or facts contained not misleading.

ARTICLE CLXXVIIILicensed Broker. Manager is duly licensed under the laws of the State of Washington as a real estate broker and as necessary to perform its obligations under this Agreement.

ARTICLE CLXXVIIISHA's Representations and Warranties.

ARTICLE CLXXIXPower. SHA has the full power, authority and legal right to enter into this Agreement and all documents referenced in this Agreement, and to consummate the transactions contemplated by this Agreement and the individuals executing this Agreement on behalf of SHA have the power, right and actual authority to bind SHA to the terms and conditions of this Agreement.

ARTICLE CLXXXConflicts. The execution and delivery of this Agreement, the incurring of the obligations set forth in this Agreement and compliance by SHA with the terms of this Agreement (i) do not conflict with the bylaws or legal authority of SHA, (ii) do not, to the knowledge of SHA, violate any Governmental Requirements, and (iii) do not conflict with and will not result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or document to which SHA is a party.

ARTICLE CLXXXIGeneral Representation. No representation, warranty or statement of SHA in this Agreement or in any document, certificate or schedule furnished or to be furnished to Manager by SHA (whether before or after the Commencement Date) knowingly or intentionally contains or will contain any untrue statement of a material fact or knowingly or intentionally omits or will omit to state a material fact necessary to make the statements or facts contained not misleading.

ARTICLE CLXXXIIReliance. Manager acknowledges and agrees that SHA is relying upon the representations and warranties set forth in Section 11.1 in entering into this

Agreement, and SHA acknowledges and agrees that Manager is relying upon the representations and warranties set forth in Section 11.2 in entering into this Agreement.

ARTICLE CLXXXIII

COMPENSATION

ARTICLE CLXXXIV Compensation. SHA shall pay Manager a management fee (the “Management Fee”) in a fixed monthly amount equal to \$_____. The Management Fee will be paid monthly. The Management Fee for the prior month is payable no earlier than Manager’s delivery of the Monthly Operations Report for the prior month. Manager is entitled to withdraw the Management Fee from the Operating Account. In the event of commencement or termination of this Agreement other than on the first or last day of a month, respectively, the Management Fee will be prorated to the effective date of such commencement or termination based on the number of days in that month.

ARTICLE CLXXXV

NOTICES

ARTICLE CLXXXVINotices. All notices, demands, consents and reports provided for in this Agreement must be in writing and given to SHA or Manager at the address set forth below or at such other address as either party specifies in writing:

SHA:

Manager:

All notices and other communications must be delivered (i) in person, (ii) by overnight courier, (iii) mailed in the United States mail postage prepaid, certified, and, if mailed, will be considered delivered three (3) days after deposit in the mail, or (iv) by electronic mail transmission where a receipt of such transmission has been confirmed.

ARTICLE CLXXXVII

GENERAL PROVISIONS

ARTICLE CLXXXVIII No Assignment. Manager shall not assign or transfer any interest, rights, or obligations in this Agreement, whether by subcontract, assignment or novation, without the prior written consent of SHA.

ARTICLE CLXXXIX Non-Conforming Services. The acceptance by SHA of any non-conforming services under the terms of this Agreement or the foregoing or waiver by SHA of any of the rights or remedies arising under the terms of this Agreement does not constitute a waiver of SHA's right to conforming services or any rights or remedies in respect to any subsequent Breach or Default of the terms of this Agreement. In the event of any Default or Breach of this Agreement by Manager, SHA is entitled to pursue any rights and remedies available at law or in equity. The rights and remedies of SHA provided or referred to under the terms of this Agreement are cumulative and not mutually exclusive.

ARTICLE CXCE Equal Employment Opportunity. Manager shall comply with all federal, state and local laws, resolutions, ordinances, rules, regulations and executive orders pertaining to unlawful discrimination on account of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, sexual orientation, disability, or age. When required by law, Manager shall furnish a written affirmative action plan.

ARTICLE CXCI Prevailing Wage. In connection with Manager's performance of the Services, Manager shall comply with all applicable federal, state and local labor laws and regulations, including, without limitation, as applicable, the Prevailing Wage Laws. SHA and Manager acknowledge and agree that federal or state funding sources used in connection with the operation of the Property may trigger compliance with applicable Prevailing Wage Laws.

Manager is solely responsible for determining and effectuating compliance with all applicable federal, state and local public works requirements, Prevailing Wage Laws, labor laws and standards, and SHA makes no representation as to the applicability or non-applicability of any federal, state and local laws to the Property. Manager expressly, knowingly and voluntarily acknowledges and agrees that SHA has not previously represented to Manager or to any representative, agent or Affiliate of Manager or any subcontractors hired by Manager for the performance of Services, in writing or otherwise, in a call for bids or otherwise, that any of the Services is (or is not) a "public work," as defined under applicable Washington law or under Davis Bacon.

Manager knowingly and voluntarily agrees that Manager shall provide all disclosures or identifications with respect to the Property as required by the Prevailing Wage Laws, and any other similar law or regulation. Manager shall indemnify, protect, pay for, defend (with legal counsel acceptable to SHA) and hold harmless the Indemnitees from and against any and all loss, liability, damage, claim, cost, expense and increased costs (including reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in connection with the provision of the Services by Manager, results or arises in any way from any of the following: (i) the noncompliance by Manager with any applicable local, state or federal law or regulation, including, without limitation, any applicable federal or state labor laws or regulations (including, without limitation, if applicable, the requirement to pay state or federal prevailing wages); (ii) the implementation of RCW 39.04 or the Prevailing Wage Laws, or any other similar law or regulation; or (iii) failure by Manager to provide any required disclosure or identification as required by RCW 39.04 or the Prevailing Wage Laws, or any other similar law or regulation. The parties agree that, in connection

with the provision of Services under this Agreement Manager bears all risks of payment or non-payment of prevailing wages under applicable Prevailing Wage Laws, and any other similar law or regulation. The foregoing indemnity survives expiration or termination of this Agreement.

ARTICLE CXCIFederal Contract Provisions; Section 3 Laws. Whenever federal funding sources will be used to pay for any portion of services rendered under any contract, agreement, purchase order or similar instrument entered into by Manager under this Agreement, Manager shall ensure that the contract, agreement, purchase order or similar instrument (i) contains all applicable contract provisions required by 2 C.F.R. 200, Appendix II, as the same may be amended, modified, or replaced from time to time, and (ii) contains contract provisions sufficient to ensure that all contractors and subcontractors comply with the requirements of the Section 3 Laws. Manager shall take all necessary steps to ensure compliance with the Section 3 Laws by its contractors. Manager shall not contract with any contractor that Manager knows or reasonably should know has been found in violation of the Section 3 Laws. Manager shall provide and shall cause its contractors to provide certifications in form and substance required by SHA, at such times as SHA requests, certifying (i) Manager’s or such contractor’s compliance with the Section 3 Laws, and (ii) as to such facts and circumstances pertaining to the Section 3 Laws as SHA requires, including certification with respect to total number of labor hours worked under any particular contract, labor hours worked by Section 3 Workers (as defined in Section 3), and labor hours worked by Targeted Section 3 Workers (as defined in Section 3).

ARTICLE CXCIContractor Payment. Manager shall pay any contractor or subcontractor within ten days of Manager’s receipt of payment from SHA for undisputed services provided by the contractor or subcontractor.

ARTICLE CXCIVWashington Public Records Act; Data Practices. All data and documentation collected, created, received, maintained or disseminated for any purpose in the course of Manager’s performance of this Agreement is governed by the Washington Public Records Act, RCW 42.56, et seq. (“WPRA”) and any other applicable state statutes, any regulations adopted to implement the WPRA and any federal statutes and regulations on data privacy. Manager shall take all reasonable measures to secure the computers or any other storage devices in which SHA data is contained or which are used to access SHA data for the Property or this Agreement. Additionally, subject to the WPRA, access to SHA data is limited to those persons with a need to know for the provision of Services by Manager. These measures include, but are not limited to, authenticated access to network data storage, use of up-to-date anti-virus software, controlled access to the physical location of the hardware, and the encryption of computers and storage devices, all in accordance with industry standards and SHA practices. Manager shall follow the records retention and disposition schedule adopted by SHA, which is the Local Government Common Records Retention Schedule (known as the “CORE”) and the Housing Authorities Records Retention Schedule, both issued by the Washington State Archives, for all applicable Books, Records and Documents. Manager shall promptly deliver to SHA, at no cost to SHA, any Books, Records, and Documents maintained by it pursuant to this Agreement upon request of SHA to enable SHA to comply with the WPRA or any other applicable public disclosure laws. If

Manager fails to fully cooperate and produce records requested, or if Manager asserts an objection, privilege, or exemption that delays the timely disclosure of requested records, Manager shall indemnify, defend, and hold harmless Indemnitees for any damages, penalties, fees, expenses, and costs (including reasonable attorney fees) related to or arising out of such failure or delay, including reasonable attorney fees claimed by a requester. The foregoing indemnity survives expiration or termination of this Agreement.

ARTICLE CXCV Conflict of Interest. Organizational conflict of interest means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the owner, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. Manager agrees that if, after award, an organizational conflict of interest is discovered, Manager shall make a prompt and full written disclosure to SHA that includes a description of the action Manager has taken or proposes to take to avoid or mitigate such conflicts. If an organizational conflict of interest is determined to exist, and Manager does not promptly cure the same, SHA is entitled, at its discretion, to terminate this Agreement. If Manager was aware of an organizational conflict of interest prior to the Commencement Date and did not disclose the conflict to SHA, SHA is entitled to terminate this Agreement for Default without liability.

ARTICLE CXCVI Alteration. Any alteration, variation, modification, or waiver of the provisions of this Agreement is valid only after it has been reduced to writing and duly signed by both parties.

ARTICLE CXCVII Interpretation of Agreement; Venue. This Agreement is to be interpreted and construed according to the laws of the State of Washington. Venue for any litigation regarding this Agreement will be in the King County Superior Court or the federal district court for the Western District of Washington.

ARTICLE CXCVIII Further Acts. Manager shall perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions and intent of this Agreement or otherwise to ensure compliance with this Agreement.

ARTICLE CXCIX Force Majeure. Subject to the party's compliance with the notice requirements as set forth below, performance by a party is not a Default, and all performance and other dates specified in this Agreement is extended, where delays or defaults are caused by war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, assaults, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, unusually severe weather, and similar causes beyond the control and without the fault of the party claiming an extension of time to perform. An extension of the time for any such cause will be for the period of the enforced delay and will commence from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause.

ARTICLE CC Independent Contractor. This Agreement is not one of agency by Manager for SHA; rather, Manager is engaged independently in the business of employing individuals on its own behalf as an independent contractor and SHA has no liability with respect to Manager's employees. Nothing contained in this Agreement is intended or should be construed as creating the relationship of agents, partners, joint venturers, or associates between the parties or as constituting Manager as an employee of SHA for any purpose or in any manner whatsoever. Manager is an independent contractor and neither Manager nor its employees, agents, or representatives are employees of SHA. From any amounts due from SHA, there will be no deductions for federal income tax or FICA payments, nor for any other purposes that are associated with an employer-employee relationship unless required by law. Payment of federal income tax, FICA payments, and the like are the responsibility of Manager

ARTICLE CCINon-Waiver. Nothing in this Agreement constitutes a waiver by SHA of any statutory or common law immunities, limits, or exceptions to liability.

ARTICLE CCI Exhibits. All Exhibits attached to this Agreement are incorporated in this Agreement as if set forth in full.

ARTICLE CCIII Headings. All headings are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

ARTICLE CCIV Copies of Agreement; Signatures. The parties agree that (i) an electronic signature is considered an original signature, and (ii) a copy of the fully executed Agreement is considered an original instrument, and each, together or separately, is binding and enforceable as if original and the parties are entitled to rely on the same to prove the authenticity of the Agreement. This Agreement may be executed in one or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement and will become binding when one or more counterparts have been signed by each of the party and delivered to the other party.

ARTICLE CCV Complete Agreement. This Agreement and the Exhibits attached to it constitute the entire agreement between the parties with respect to the activities described in this Agreement and the Property, and this Agreement (and the Exhibits) supersedes and takes the place of any previous discussions and agreements between the parties relating to the subject matter of this Agreement and the Property. Except as set forth in this Agreement or otherwise agreed in writing, in no event does any party other than the Manager, SHA and the Indemnitees have any rights or benefits under this Agreement nor does any other person or entity have any third-party beneficiary status with respect to this Agreement.

[Signatures appear on following page.]

The parties have executed this Agreement the date and year first above written.

SHA:

HOUSING AUTHORITY OF THE CITY OF SEATTLE,

a Washington public body corporate and politic

By: _____

Name: _____

Its: _____

MANAGER:

[_____] ,

a [_____]

By: _____

Name: _____

Its: _____

Exhibit A

Legal Description of the Property

Exhibit B
Staffing Plan

Title/Job Description	Max Hourly Rate	FTE
On-Site Manager: An individual experienced in the administration and operation of an asset of the size, character, and quality of the Property		1.0
Lead Maintenance Person: An individual experienced in the maintenance and repair of an asset of the size, character, and quality of the Property		1.0

Exhibit C

Low Income Housing Requirements

- (a) Manager acknowledges that Owner is required to lease a specified number of units in accordance with the applicable Low Income Housing Requirements, including units at the Property.
- (b) Manager shall facilitate compliance with the Low Income Housing Requirements by providing to Owner, on a quarterly basis, the household income at move-in, the household size, and the contract rent for each tenant. The household income at move-in will be the income information collected by Manager on the tenant's rental application for the Property.
- (c) Owner shall provide Manager with reasonable advance notice of any changes to the Low Income Housing Requirements prior to such changes taking effect.
- (d) Manager shall maintain and preserve all Property Books, Records, and Documents to facilitate Owner's compliance with the Low Income Housing Requirements and as reasonably required by Owner.
- (e) Manager shall perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions and intent of the Low Income Housing Requirements or otherwise to ensure compliance with the Low Income Housing Requirements.
- (f) Owner shall cooperate with Manager's reasonable requests for approvals, signatures, or other action appropriate to comply with the Low Income Housing Requirements.

Exhibit D
Property Agreements



190 Queen Anne Ave N
PO Box 19028
Seattle, WA 98109

206-615-3300
Seattlehousing.org

HUD Section 3 Information and Section 3 Forms

To: Vendors, Contractors, Consultants of the Seattle Housing Authority of the City of Seattle

Re: Updates to HUD's Section 3 Regulations

As you are probably aware, Section 3 is a federally mandated program of the U.S. Department of Housing and Urban Development (HUD).

Under Section 3 of the HUD Act of 1968, federal funds invested in housing and community development shall provide contracts, employment, training, and other economic opportunities to low- and very low-income persons in the local jurisdiction, referred to as "Section 3 Workers," and to businesses that employ such persons, referred to as a "Section 3 Business Concern."

HUD's regulations implementing the requirements of Section 3 were updated in 2020 to create more effective incentives for employers to retain and invest in their low- and very low-income workers, streamline reporting requirements by aligning them with typical business practices, provide for program-specific oversight, and clarify the obligations of entities (including SHA) that are covered by Section 3. SHA complies with Section 3 within its own operations and ensures the compliance of its vendors, contractors and consultants.

The updated rule establishes these benchmarks:

1. Twenty-five (25) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the Public Housing Authority's or other recipient's fiscal year are Section 3 Workers.
2. Of which Five (5) percent or more are Targeted Section 3 Workers.

The updated rule includes the following definitions:

1. Section 3 Worker means any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:
 - a. The worker's income for the previous or annualized calendar year is below the income limit established by HUD. HUD's income limits can be obtained from: <http://www.huduser.org/portal/datasets/il.html>
 - b. The worker is employed by a Section 3 Business Concern.
 - c. The worker is a YouthBuild participant.
2. For Section 3 projects, a Targeted Section 3 Worker means a Section 3 worker who:

- a. Is employed by a Section 3 Business Concern: OR
 - b. Currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - i. A resident of public housing or Section 8-assisted housing;
 - ii. A resident of other public housing projects or Section 8-assisted housing managed by the Public Housing Authority that is providing the assistance;
or
 - iii. A YouthBuild participant.
3. Section 3 Business Concern means a business concern meeting at least one of the following criteria, documented within the last six-month period:
- a. It is at least 51 percent owned and controlled by low- or very low-income persons.
 - b. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 Workers: or
 - c. It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

The following forms are to be used for reporting Section 3 compliance:

- Section 3 Business Concern Certification for Contracting form (*This form is for any business to use to self-certify, if applicable, as a Section 3 Business Concern.*)
- Section 3 Worker and Targeted Section 3 Worker Self-Certification form (*This form is for individuals to use to self-certify as a Section 3 or Targeted Section 3 Worker.*)
- Section 3 Monthly Reporting Form for SHA Projects (*This form is to be completed monthly by the prime consultant / contractor and sent to purchasing@seattlehousing.org. The form lists the total hours worked by all for that monthly period for the contract and show how many of those hours were by Section 3 or Targeted Section 3 Workers.*)

This new HUD Rule went into effect in November 2020 and requires the tracking of Section 3 hours for all new SHA Contracts.

We have attached the forms mentioned above for your review. If any of these forms apply to your firm or any of your team members, please complete the applicable form(s) and submit with your one original Proposal document.

Please contact purchasing@seattlehousing.org if you have any questions.

Thank you,

Housing Authority of the City of Seattle

SEATTLE HOUSING AUTHORITY

Section 3 Business Concern Certification for Contracting

Instructions: Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status.

Business Information

Name of Business _____

Address of Business _____

Name of Business Owner _____

Phone Number of Business Owner _____

Email Address of Business Owner _____

Preferred Contact Information

Same as above

Name of Preferred Contact _____

Phone Number of Preferred Contact _____

Type of Business (select from the following options):

- Corporation Partnership Sole Proprietorship
 Limited Liability Company Other (*please specify*) _____

Select from *ONE* of the following three options below that applies:

- At least 51 percent of the business is owned and controlled by low- or very low-income persons (Refer to income guidelines on page 3).
- At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
- Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers (Refer to definition on page 3).
-

Business Concern Affirmation

I affirm that the above statements (on page 1 of this form) are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 business concerns and report false information to the Housing Authority of the City of Seattle may have their contracts terminated for default and be barred from ongoing and future considerations for contracting opportunities. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Print Name: _____

Signature: _____ Date: _____

*Certification expires within six months of the date of signature
Information regarding Section 3 Business Concerns can be found at [24 CFR 75.5](#)

FOR ADMINISTRATIVE USE ONLY

Is the business a Section 3 business concern based upon their certification?

YES NO

EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.

The Housing Authority of the City of Seattle

Section 3 Income Limits

Eligibility Guidelines

The worker's income must be at or below the amount provided below for an individual (household of 1) regardless of actual household size.

Individual Income Limits for King, Snohomish, and Pierce Counties FY 2022

Income Limits Category	FY 2022		
	King County	Snohomish County	Pierce County
Extremely Low-Income Limits (30%)	\$27,200	\$27,200	\$21,350
Very Low-Income Limits (50%)	\$45,300	\$45,300	\$35,550
Low Income Limits (80%)	\$66,750	\$66,750	\$56,850

See <https://www.huduser.gov/portal/datasets/il.html> for most recent income limits.

Section 3 Worker Definition:

- A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- Employed by a Section 3 business concern: or
- A YouthBuild participant.

Targeted Section 3 Worker Definition:

- Employed by a Section 3 business concern: OR
- Currently fits at least one of the following categories as documented within the past five years:
 - A resident of Seattle Housing Authority public housing or Section 8-assisted housing.
 - A resident of other public housing projects or Section 8-assisted housing managed by the public housing authority that is providing the assistance; or
 - A YouthBuild participant.

Section 3 Worker and Targeted Section 3 Worker

Self-Certification Form

The purpose of HUD's Section 3 program is to provide employment, training and contracting opportunities to low-income individuals, particularly those who are recipients of government assistance for housing or other public assistance programs. **Your response is voluntary, confidential, and has no effect on your employment.**

Eligibility for Section 3 Worker or Targeted Section 3 Worker Status

A Section 3 worker seeking certification shall self-certify and submit this form to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 Worker as defined in 24 CFR Part 75.

Instructions: Enter/select the appropriate information to confirm your Section 3 worker or Targeted Section 3 Worker status.

Employee Name: _____

1. Are you a resident of public housing or a Housing Choice Voucher Holder (Section 8)	<input type="checkbox"/> YES <input type="checkbox"/> NO
2. Are you a YouthBuild participant?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3. Check the box for the county where you reside. <input type="checkbox"/> King County <input type="checkbox"/> Pierce County <input type="checkbox"/> Snohomish County <input type="checkbox"/> Other _____	
4. In the field below, select the amount of individual income you believe you earn on an annual basis.	

- Less than \$10,000 \$30,000 - \$40,000 More than \$60,000
 \$10,001 - \$20,000 \$40,001 - \$50,000
 \$20,001 - \$30,000 \$50,001 - \$60,000

Select from **ONE** of the following two options below:

I qualify as a:

- Section 3 Worker (as defined on page 3 of this Section 3 Worker Certification Form)
 Targeted Section 3 Worker (as defined on page 3 of this Section 3 Worker Certification Form)

Employee Affirmation

I affirm that the above statements (on page 1 of this form) are true, complete, and correct to the best of my knowledge and belief. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Employee Address: _____

Print Name: _____

Signature: _____ Date: _____

FOR ADMINISTRATIVE SE ONLY

Is the employee a Section 3 worker based upon their self-certification? YES NO

Is the employee a Targeted Section 3 worker based upon their self-certification? YES NO

Was this an applicant who was hired as a result of the Section 3 project? YES NO

If yes, what is the name of the company? _____

What was the date of hire? _____

EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.
