



**COMMUNITY DEVELOPMENT COMMISSION/
HOUSING AUTHORITY**

of the County of Los Angeles

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Executive Director

July 17, 2018

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVAL TO PURCHASE SOFTWARE SYSTEM UPGRADE
AND SUPPORT SERVICES WITH YARDI SYSTEMS, INC.
(ALL DISTRICTS) (3 VOTE)**

CIO RECOMMENDATION: APPROVE WITH MODIFICATION (X)

SUBJECT

This letter is requesting approval of a Contract with Yardi Systems, Inc. (Yardi), for Yardi's Voyager 7s software system, associated implementation services, software license and maintenance services for the Housing Authority. Yardi's Voyager 7s is the software used to manage the Housing Authority's public housing and Section 8 voucher program.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Executive Director, or her designee, to execute a substantially similar agreement (Attachment 1) and all related documents with Yardi for a Housing Software System, for a five (5) year contract to include the purchase of software, associated implementation services, software license, and maintenance services for Public Housing Management and Section 8 Programs (Contract), in the total amount of \$1,235,313.
2. Authorize the Executive Director, or her designee, to use up to an additional ten percent (10%) contingency of \$123,531 as needed for unforeseen costs; the total maximum Contract sum for all five (5) years and the ten percent (10%) contingency is \$1,358,844.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

1-H July 17, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

3. Delegate authority to the Executive Director, or her designee, to execute amendments or change notices to the Contract to add, delete, and/or revise certain terms and conditions which do not affect the Statement of Work (SOW), Contract Term or Contract Sum or payments, Pool Dollars, and do not materially alter the Contract; and/or execute amendments to the Contract which affect the SOW but do not materially alter the Contract, or affect the Contract Term; and/or approve any assignment or delegation of the Contract in accordance with the Contract.
4. Find that the proposed Contract with Yardi is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to purchase the cloud-based Housing Software System with associated implementation services, software license and maintenance services from Yardi for the Housing Authority's Public Housing and Section 8 programs. Yardi Voyager software was originally licensed in June 2007 to replace the Housing Authority's previous Housing Management and Section 8 software, replacing two systems into one, unified system. The Yardi system has helped to reduce the level of IT support needed while providing agency staff with greater opportunities for improvement, timelier service for clients, and will integrate with systems used by U.S. Department of Housing and Urban Development (HUD). Yardi Voyager software was instrumental in assisting the Housing Authority to resolve its HUD troubled status and become a high performer for the past five years.

FISCAL IMPACT / FINANCING

There is no impact to the County General Fund. The Housing Authority will be using Program Funds to pay for these services. Funding is included in the Housing Authority's approved Fiscal Year (FY) 2018-2019 Budget, and will be included in future fiscal years' budgets as needed. A 10% contingency is requested for unforeseen additional services as needed. The total Contract Sum for all five years and the ten percent contingency is \$1,358,844.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Yardi software is not sold by any reselling channel; Yardi sells, maintains, and markets its own software and the software is only sold and supported by Yardi, who retains exclusive rights to the licenses. Yardi is one of the few, if not the only, provider of a product that can handle the size and complexity of a housing authority of our size and technological advances. Despite that, the Housing Authority conducted a full and open solicitation for the service.

Except as detailed below, this Contract contains all latest applicable Board mandated provisions, including those pertaining to consideration of hiring qualified County employees targeted for layoffs, contractor responsibility and debarment, Safely Surrendered Baby Law, the provisions of Paid Jury Service time for the Contractor's employees, and County of Los Angeles' Zero Tolerance Human Trafficking.

The Housing Authority engaged in extensive negotiations with Yardi regarding the Housing Authority's standard terms and conditions. As a result of the negotiations, the parties have agreed to a change of the Indemnification language from the Housing Authority's standard provisions after extensive negotiation between the Contractor and the Housing Authority Risk Management unit. In consideration of the security provisions, the agency's experience and the experience of the contractor, the Housing Authority's Risk Management Unit believes that potential risks are acceptable given the services being provided. The Contractor shall use commercially reasonable efforts to maintain the system and to send written notification of the same to the Housing Authority's Project Director.

The Yardi Contract has been reviewed and approved as to form by County Counsel, as well as the Housing Authority's Procurement and Risk Management Departments. It has been determined that the Contract complies with all applicable laws, statutes, rules, regulations, and order of the United States and the State of California. On June 27, 2018, the Housing Commission recommended approval of the Contract.

The Chief Information Officer (CIO) has reviewed this request and recommends approval with modification. The CIO Analysis is attached.

ENVIRONMENTAL DOCUMENTATION

Computer software purchases are exempt from the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35 (b)(3), because they involve activities that will not have a physical impact on or result in any physical changes to the environment. These activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378(b)(4), because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

On April 25, 2016, the Housing Authority issued a Request for Proposal, Public Housing and Section 8 Administration Software, Solicitation number CDC16-067, to identify a vendor to provide Public Housing and Section 8 Administration Software and Services.

On July 5, 2016, two proposals were received. One proposal did not meet the minimum requirements and was not considered for further review. The remaining proposal was

forwarded to a seven-member evaluation committee for further review. The evaluation committee used the "informed averaged" scoring methodology using a 1,000 points system as established in the solicitation package. The evaluation criteria consisted of qualifications (background, experience, references, etc.), approach to providing the services, Section 3 compliance, and costs. Yardi Systems, Inc. is being recommended for Contract award based on the evaluation criteria set forth in the RFP.

The Housing Authority Contract has been reviewed by County Counsel.

IMPACT ON CURRENT SERVICES AND PROJECTS

The purchase of these services from Yardi Systems, Inc. will provide the Housing Authority with software license, support, and the ability to update services as necessary. The software will continue to be instrumental in maintaining the Housing Authority's high-performer status and integrating with the systems used by HUD.

Respectfully submitted,



MONIQUE KING-VIEHLAND
Executive Director
HOUSING AUTHORITY
COUNTY OF LOS ANGELES

Reviewed by:



WILLIAM S. KEHOE
Chief Information Officer
COUNTY OF LOS ANGELES

MKV:MF:mr

Enclosures

- c: Chief Executive Office
- County Counsel
- Executive Office, Board of Supervisors



William S. Kehoe
CHIEF INFORMATION OFFICER

Office of the CIO CIO Analysis

DATE:

7/17/2018

SUBJECT:

APPROVAL TO PURCHASE SOFTWARE SYSTEM UPGRADE AND SUPPORT SERVICES WITH YARDI SYSTEMS, INC.

CONTRACT TYPE:

New Contract Sole Source Amendment to Contract #: Enter contract #.

SUMMARY:

Description: The Housing Authority of the County of Los Angeles (HACoLA or Authority) is requesting approval for a contract with Yardi System, Inc. to upgrade its obsolete Housing Software System that the Authority uses to manage, administer, and accept payments related to its Public Housing and Section 8 Voucher programs. The Authority recommends the award based on the results of a Request for Proposals (RFP) issued in July 2016. The contract is for the upgrade and migration of the Authority's existing Yardi Voyager 6-based system to the Voyager 7s version hosted in Yardi's cloud environment, and fees for Software as a Service subscription licensing for five (5) years. Recommendation 2 asks for authority to use ten percent (10%) contingency for unforeseen costs. Recommendation 3 asks for delegated authority to the Executive Director to make changes via amendments or change notices to the contract or statement of work, so long as they do not materially change the contract or contract term; and to approve any assignment or delegation related to the contract. Finally, the Authority asks the Board of Commissioners to find that the contract is not a project under the California Environmental Quality Act (CEQA).

Contract Amount: \$1,235,313 plus up to 10% contingency of \$123,531

FINANCIAL ANALYSIS:

Contract costs:

One-time costs

Licenses	\$	131,774
Yardi Cloud Hosting	\$	30,000 ¹
Automated Clearing House (ACH)	\$	12,000
Implementation Services	\$	153,600
Training & Training Materials	\$	20,400
Travel Expenses	\$	24,121

Ongoing annual costs:

Licenses, Yardi Cloud Hosting, ACH, and Maintenance & Support	\$193,949 to 231,490 ²
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Contingency:

Not-to-exceed 10 Percent of Contract Amount	\$	123,531
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APPROVAL TO PURCHASE SOFTWARE SYSTEM UPGRADE AND SUPPORT SERVICES WITH YARDI SYSTEMS, INC.

Other County costs: Not Assessed

Total one-time costs:	\$	371,895
Total ongoing annual costs (Years 2-5):	\$	863,418
Total contract sum:	\$	1,235,313
Contingency:	\$	123,531
Maximum potential contract sum with contingency:	\$	1,358,844

Notes:

¹ As part of the negotiated price, the baseline fee for Yardi Cloud hosting is discounted and subject to Consumer Price Index increase of up to four percent (4%) each year after Year 1.

² The notes in the Pricing Schedule (Exhibit B) indicates no increase over the current (existing) contract baseline fee in Year 1 of the new contract then a 10 percent (10%) increase in the baseline fee in Years 2 and 3 plus a Consumer Price Index increase of up to 4 percent each year after Year 1.

Risks:

1. The Authority’s current on-premise system is on an End of Life version of Yardi’s Voyager software. That version only currently receives compliance updates that are mandated by Federal and State regulations, and once the version reaches End of Support on March 1, 2019, those compliance updates will end. OCIO agrees with HACoLA that the existing system must be upgraded before then.
2. HACoLA also states that should the Contract expire on July 31, 2018, without a successor contract, then the licenses will expire and the system will cease to operate, impacting \$25 Million in housing payments per month. OCIO did not review the existing Contract, but we agree that there would likely be impact to business operations should the system become unavailable due to software licensing terms or lack of a valid support contract.
3. The negotiated Contract contains changes from the standard contract used by HACoLA. These changes were reviewed by the Authority’s Risk Management unit and by County Counsel and the risks associated with those changes are accepted by the Authority. Therefore, except for any significant information security risks, OCIO is not commenting on the terms and conditions.
4. Since the system hosting location is changing from the data and software being stored and operated at the Authority’s data center in Alhambra to a contractor-hosted environment (Yardi Cloud), there are new operational and security considerations versus County hosting. OCIO was not involved in the formulation or review of the RFP nor the contract negotiations. We did not assess the extent to which contractor-hosting specific terms are included in the proposed Contract due to the review period of this time-sensitive Board letter. Since Personally Identifiable Information (PII) will be stored in the Contractor’s cloud instead of a County-controlled environment, the OCIO recommends addressing the major risks identified in #7 below.

5. As with any major project, especially one involving one of the main business systems of an organization, the success of the project is correlated with the governance, change management, and project management resources. OCIO has reviewed the proposed project governance and assesses that the business and IT organizations have the proper level of sponsorship, including executive sponsorship by the Authority's Deputy Executive Director. As for change management and project management, the Information Technology Manager will assign an experienced Project Manager to lead the daily activities during the implementation.
6. The OCIO recommends modification to the Performance Requirement Summary (PRS; Exhibit 1 of the Statement of Work). The Standard of Performance for the required services in the Contract is "100% Completion of Required Services" with deductions of fees in the amount of \$50 per occurrence. This could potentially enable the Contractor to not complete 100 percent (100%) of the required services or deliverables in exchange for a \$50 deduction. Although the amount of a remedy depends on factors, such as the likelihood that the remedy will result in a correction, the importance of timeliness or completion, and impact to the Authority if the performance standard is not met, we do not believe that \$50 per occurrence will materially impact the Contractor's performance. Options include raising the amount of the remedy, making the remedy a percentage of the fee associated with the task or deliverable, changing the assessment to "per occurrence per day," or holding back a percentage of the fees until the performance standard is met.
7. The Chief Information Security Officer (CISO) has reviewed the Contract and associated Statement of Work and has identified the following major risks and recommends modifications or additional review to mitigate those risks. This is not a comprehensive list of risks, which the CISO can provide to the Authority, but three risks that warrant additional mitigation:
 - a. Indemnification – There are references to indemnification in Paragraphs 7.7.8 (Confidentiality) and 8.7.2 (Compliance With Applicable Law). There is also a section on Indemnification (8.27). And within the Yardi "SAAS Subscription Agreement," there is Section 13 (Indemnification). CISO recommends that County Counsel should ensure there are no conflicts between these references.
 - b. Privacy/Network Security (Cyber) Liability Coverage – The CISO recommends higher minimum Cyber Liability Coverage, starting at \$10 Million, which matches the recommended minimum amount for contracts involving County departments. The coverage specified in the contract (\$1 Million per occurrence and \$2 Million aggregate limit) is likely to be insufficient given the large number of records, the PII within those records, the County's experience with other cyber incidents, and other terms in this contract that may not fully require the Contractor to be liable for those costs in all cases in the event of a breach or other security incident.

Since the section indicates the minimum requirements, a possible mitigation would be to change the minimum requirements in that section to match the actual limits of the Cyber policy that the Contractor carries, provided that they are higher than the minimums currently stated.

APPROVAL TO PURCHASE SOFTWARE SYSTEM UPGRADE AND SUPPORT SERVICES WITH YARDI SYSTEMS, INC.

c. Limited Liability for Unauthorized Client Data Access – Paragraph 8.66.2 limits the Contractor’s liability for unauthorized access to client data (which includes PII) if the Contractor uses “...(i) firewalls and other technology generally used in the trade to prevent unauthorized 3rd party access to its computer systems storing Housing Authority Data; and (ii) available encryption technology generally used in the trade to prevent unauthorized third-party access to Housing Authority Data transmissions.” There is no requirement for the Contractor to properly configure and manage these controls. For instance, if Contractor employed these controls but misconfigured them to allow for unauthorized access they could not be held liable for the unauthorized access.

The CISO strongly recommends that this paragraph and the corresponding limitation of liability paragraphs in the Yardi “SAAS Subscription Agreement” to remove the limitation of liability, or to insist that the Contractor properly configure, manage, and maintain the security and encryption controls.

PREPARED BY:



ERIC M. SASAKI, DEPUTY CHIEF INFORMATION OFFICER

6/28/2018

DATE

APPROVED:



WILLIAM S. KEHOE, COUNTY CHIEF INFORMATION OFFICER

6/28/2018

DATE



CONTRACT

BY AND BETWEEN

**HOUSING AUTHORITY OF
THE COUNTY OF LOS ANGELES**

AND

YARDI SYSTEMS, INC.

FOR

**PUBLIC HOUSING & SECTION 8 ADMINISTRATION
SOFTWARE**

**REQUIRED CONTRACT PROVISIONS
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- E HOUSING AUTHORITY'S ADMINISTRATION
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- L CONTRACTOR ACKNOWLEDGMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT
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**CONTRACT BETWEEN
HOUSING AUTHORITY OF THE
HOUSING AUTHORITY OF LOS ANGELES
AND
YARDI SYSTEMS, INC.**

**FOR
PUBLIC HOUSING & SECTION 8 ADMINISTRATION SOFTWARE**

This Contract and Exhibits made and entered into this ____ day of _____, 2018 by and between the Housing Authority of the Los Angeles, hereinafter referred to as Housing Authority and Yardi Systems, Inc., hereinafter referred to as Contractor, a California corporation, with its principal place of business at 430 S. Fairview Ave., Goleta, CA 93117.

RECITALS

WHEREAS, Contractor has developed and licenses to its clients a web hosted Public Housing & Section 8 Administration Software (Housing System) Solution and provides services related thereto;

WHEREAS, Housing Authority desires to enter into an agreement with Contractor, among other things, to obtain the right to access and use Contractor's Housing System, and to engage Contractor to (a) configure and implement the Housing System for use at the Housing Authority; (b) perform certain modifications and customizations to the Housing System necessary to meet Housing Authority's software solution necessary to meet Housing Authority's functional, technical and/or business requirements; and (c) perform other related work as requested by the Housing Authority and agreed by Contractor, subject to the terms and conditions of this Agreement;

WHEREAS, Contractor has submitted a proposal to the Housing Authority for provision of such services and based upon the Request For Proposal process, Contractor has been selected for recommendation for award of such Contract; and

WHEREAS, on _____, the Board of Commissioners has authorized the Housing Authority to execute and administer this Contract.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N, and O are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the terms and conditions of the Contract and then to the Exhibits according to the following priority.

Standard Exhibits:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C - Technical Exhibits (INTENTIONALLY OMITTED)
- 1.4 EXHIBIT D - Contractor's EEO Certification
- 1.5 EXHIBIT E - Housing Authority's Administration
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- 1.7 EXHIBIT G - Forms Required at the Time of Contract Execution
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- 1.10 EXHIBIT J - Defaulted Property Tax Reduction Program
- 1.11 EXHIBIT K - Information and Security Requirements
- 1.12 EXHIBIT L - Contractor Acknowledgment, Confidentiality, And Copyright Assignment Agreement
- 1.13 EXHIBIT M - Contractor Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement
- 1.14 EXHIBIT N - Contractor Non-Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement
- 1.15 EXHIBIT O – Yardi SAAS Subscription Agreement

This Contract constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Subparagraph 8.1 – Change Notices and Amendments and signed by both parties.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 Additional Software:** Any function or module that is (i) not included in the System Software as of the effective date of the Contract, (ii) not related to the primary function for which the System Software is used by Housing Authority, and (iii) not otherwise to be provided to Housing Authority under this Contract as an Update to the System Software, which Contractor may provide upon Housing Authority's request therefor in the form of Optional Work in accordance with Sub-paragraph 3.4 (Optional Work).
- 2.2 Anniversary Date:** the date that is 365 days after the Initiation Date, and each anniversary thereafter of the date that is 365 days after the Initiation Date, during this Agreement's Term.
- 2.3 Business Purpose:** Accessing the Yardi Cloud to use the System Software and Yardi Cloud Services for Housing Authority's property management and accounting, and related business purposes
- 2.4 Contract or Agreement:** This agreement executed between Housing Authority and Contractor. It sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services and other work including the Statement of Work, Exhibit A.
- 2.5 Contractor:** The sole proprietor, partnership, corporation or other person or entity that has entered into this Contract with the Housing Authority.
- 2.6 Contractor Project Director:** The individual designated by the Contractor as principal officer to oversee contractual or administrative matters relating to this Contract that cannot be resolved by the Contractor's Project Manager.
- 2.7 Contractor Project Manager:** The individual designated by the Contractor to administer the Contract operations after the Contract award.
- 2.8 Day(s):** Housing Authority business day(s), unless otherwise specified.

- 2.9 Deficiency:** Defects in design, development, implementation, materials and/or workmanship, errors, omissions, deviations from published and/or mutually agreed upon standards or Specifications under this Contract which result in the System not performing in strict compliance with the provisions of this Contract and the Specifications, as determined by Housing Authority Project Director, in Housing Authority Project Director's sole discretion.
- 2.10 Deliverable(s):** Whether singular or plural, shall mean items and/or services provided, or to be licensed, by Contractor to Housing Authority under this Contract as part of the Optional Work or other services provided pursuant to this Contract.
- 2.11 Designated User or DU:** A Housing Authority employee designated by Housing Authority to access the Yardi Cloud and Use the Yardi Cloud Services and System Software for Business Purposes.
- 2.12 Documentation:** All of Contractor's training course materials, system specifications and technical manuals, and all other user instructions regarding the capabilities, operation, and use of the System Software, including, but not limited to, online help screens contained in the System, and any revisions, supplements, or updates thereto.
- 2.13 Housing Authority Data:** All of the Housing Authority Confidential Information, data, records, and information of Housing Authority to which Contractor has access, or otherwise provided to Contractor under this Contract.
- 2.14 Housing Authority Project Director:** Person designated by Housing Authority with authority for Housing Authority on contractual or administrative matters relating to this Contract that cannot be resolved by the Housing Authority's Project Manager.
- 2.15 Housing Authority Project Manager:** Person designated by Housing Authority's Project Director to manage the operations under this Contract.
- 2.16 Initiation Date:** the first day of the month immediately following that date which is two weeks after the effective date of the Contract.
- 2.17 Interface:** Either a computer program developed by, or licensed to, Housing Authority or Contractor to (a) translate or convert data from a Housing Authority or Contractor format into another format used at

Housing Authority as a standard format; or (b) translate or convert data in a format used by Housing Authority or a third-party to a format supported at Housing Authority or vice versa.

- 2.18 Licensed Software:** Individually each, and collectively all, of the computer programs provided by Contractor under this Contract for Use by Housing Authority each of which are specifically identified in Exhibit B (Pricing Schedule), including as to each such program, the processes and routines used in the processing of data, the object code, Interfaces to be provided hereunder by Contractor, Updates, and any and all programs otherwise provided by Contractor under this Contract. All System Software and the components thereof shall be release versions, and shall not be test versions (e.g., alpha or beta test version), unless otherwise agreed to in writing by Housing Authority.
- 2.19 Optional Work:** System Customizations and/or Professional Services, which may be provided by Contractor to Housing Authority upon Housing Authority's request and approval in accordance with Sub-paragraph 3.4.
- 2.20 Password:** the unique user name and password assigned by Housing Authority to each Designated User as more fully described in section 8.4 (Users and Passwords).
- 2.21 Performance Requirements Summary (PRS):** Identifies the key performance indicators of the Contract that will be evaluated by the Housing Authority to assure the Contractor meets Contract performance standards.
- 2.22 Personally Identifiable Information or Personal Information:** Any information that identifies a person's first name and last name in conjunction with one of the following: (i) date of birth, (ii) Social Security number or its equivalent, (iii) credit or debit card number, or other financial account information, or (iv) personal financial or healthcare information, data, credit, or any other identification number issued by a government agency. For the avoidance of doubt, Personally Identifiable Information shall include, but not be limited to, all "nonpublic personal information," as defined under the Gramm-Leach-Bliley Act (15 United States Code ("U.S.C.") §6801 et seq.).
- 2.23 Portal:** Customizable web-interface system that provides secure access to information, facilitates the collection of information an

provides versatile functions to both internal staff and the external public.

- 2.24 Professional Services:** Services, including but not limited to, consulting services, additional training and/or customizations, which Contractor may provide upon Housing Authority's request therefore in the form of Optional Work in accordance with Sub-paragraph 3.4.
- 2.25 Quality Control Plan:** All necessary measures taken by the Contractor to ensure that the quality of service will meet the Contract requirements regarding timelines, accuracy, appearance, completeness, consistency, and conformity to the requirements set forth in the Statement of Work, Exhibit A.
- 2.26 Services:** Collectively, and as applicable, the Yardi Cloud Services, Optional Work, implementation/training services, Professional Services, and application support services.
- 2.27 Specifications:** Any and/or all of the following: (i) all functional and operational requirements and/or features included in the SOW; (ii) all requirements set forth in this Contract; (iii) the Documentation, to the extent not inconsistent with any of the foregoing; (iv) all specifications provided or made available by Contractor under this Contract, but only to the extent: (a) not inconsistent with any of the foregoing; and (b) acceptable to Housing Authority in its sole discretion; and (v) all written and/or electronic materials furnished or made available by or through Contractor regarding the System, including functionality, features, capacity, availability, response times, accuracy, or any other performance or other System criteria or any element of the System, but only to the extent not inconsistent with any of the foregoing.
- 2.28 System or Housing System:** The System Software, including all components and Documentation, collectively comprising the collections and accounts receivable system, as specified in the Contract.
- 2.29 System Customizations:** Collectively, System Enhancements, Additional Software and Programming Modifications.
- 2.30 System Software or Licensed Software:** Individually each, and collectively all, of the computer programs provided by Contractor under this Contract for Use by Housing Authority each of which are specifically identified in Exhibit B (Pricing Schedule), including as to each such program, the processes and routines used in the

processing of data, the object code, Interfaces to be provided hereunder by Contractor, Updates, and any and all programs otherwise provided by Contractor under this Contract. All System Software and the components thereof shall be release versions, and shall not be test versions (e.g., alpha or beta test version), unless otherwise agreed to in writing by Housing Authority.

- 2.31 Third Party Software:** All software and content licensed, leased or otherwise obtained by Contractor from a third-party, and used with System or used for the performance of the Services.
- 2.32 Update(s):** Changes to the System Software, including but not limited to: (a) a bug fix, patch, or redistribution of the System Software that corrects an error as well as addresses common functional and performance issues; (b) an aggregation of fixes, updates, or significant new features, functionality or performance improvements (sometimes accompanied by a change in the reference to the System Software such as a change in the number to the left of the period in the version numbering format X.XX); or (c) any modifications to the System Software designed to improve its operation, usefulness, or completeness that is made generally available by Contractor to its other customers.
- 2.33 Use:** authorized access to the licensed System Software in the Yardi Cloud and use of the System Software and Documentation by Designated Users solely for Housing Authority's Business Purposes.
- 2.34 Yardi Cloud:** The hardware, software, storage, firewalls, intrusion detection devices, load balancing units, switches and other hardware that make up the Yardi Cloud.
- 2.35 Yardi Cloud Services:** Installation, maintenance, and service of the hardware and software comprising the Yardi Cloud.

3.0 SERVICES

- 3.1** The Contractor will provide and implement the System as specified in this Agreement. The Contractor will provide the Services, fulfill the obligations to Housing Authority, produce and deliver the Deliverables, and retain the responsibilities set forth in this Agreement, and more specifically, Exhibit A (Statement of Work) and in accordance with Exhibit O (Yardi SAAS Subscription Agreement). Contractor shall provide the Services without causing a material disruption of Housing Authority's operations. Contractor shall not be

required to provide any tasks, deliverables, goods, services, or other work that are not specified in this Agreement.

- 3.2** Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver all tasks, deliverables, services and other work as set forth in this Contract, including but not limited to Exhibit A – Statement of Work.
- 3.3** The Contractor agrees that the performance of work and services pursuant to the requirements of this Contract shall conform to high professional standards as exist in the Contractor’s profession or field of practice.
- 3.4** Housing Authority may initiate Optional Work by providing written notice of the desired services to Contractor, and Contractor will advise Housing Authority of Contractor’s availability and schedule for performing the Optional Work. Contractor’s performance of the Optional Work shall be subject to Housing Authority’s written acceptance of: (i) Contractor’s schedule for meeting Housing Authority’s Optional Work request; and (ii) Contractor’s fees for such Optional Work.
- 3.5 Training:** As part of the Services, Contractor shall provide the training to Housing Authority and its personnel set forth on Exhibit A (Statement of Work) or Exhibit B (Pricing Schedule) (as applicable).
- 3.6 Application Support Service:** Contractor shall provide application support and maintenance services described in this Sub-paragraph 3.6 (Application Support Services) and Exhibit A (Statement of Work), (collectively, the “Support Services”). The Support Services shall commence on the effective date of this Contract. Application support does not include on-site installation, implementation, training, or testing of the System Software, nor does it include data conversion which, if initially ordered, are specified in Exhibit B (Pricing Schedule). Contractor will use professional, reasonable efforts to address and solve Housing Authority’s issues when providing Support Services. Housing Authority’s annual application support allotment is specified in Exhibit A (Statement of Work). Contractor’s application support hours are from 6:00 am to 6:00 pm (Pacific Time) Monday through Friday (excluding holidays). Housing Authority may discuss the impact of an application support issue with Contractor and, based on the impact to Housing Authority’s business, Contractor shall have the right to prioritize application support requests according to the application support issue’s impact

on Housing Authority. Generally, Contractor will prioritize support requests in the following order:

Priority: Housing Authority Impact – Service Priority Goals

Priority 1: Business halted – response within 2 business hours.

Priority 2: Critical impact – response within 4 business hours.

Priority 3: Minor impact – response within 1 business day.

3.7 Hosting Services

During the term of this Contract, Contractor shall provide the Licensed Software by hosting the Licensed Software on its hardware, equipment or applicable tools at its facilities (“**Hosting Services**”) as set forth in this Contract and Exhibit A (Statement of Work). In providing the Hosting Services, Contractor shall achieve the service levels and performance standards set forth in Exhibit O (Yardi SAAS Subscription) and this Contract (collectively, the “**Hosting Service Level**”).

3.7.1 In connection with this Contract, unless otherwise agreed to by both parties, Contractor shall not deliver for installation on Housing Authority's internal systems or networks any software or programming, whether created or developed by Contractor or a third party.

3.7.2 During the term of this Contract, and subject to force majeure events and Housing Authority's timely payment of all fees owed under this Contract, Contractor will not withhold or suspend Hosting Services provided hereunder, for any reason, including but not limited to a dispute between the parties arising under this Contract.

3.8 Upon Housing Authority's written request and mutual approval pursuant to the terms of this Contract, Contractor shall provide Optional Work, including Additional Software, System Customizations and Professional Services, in accordance with this Sub-paragraph and Exhibit A – Statement of Work, at the applicable pricing terms set forth in Exhibit B - Pricing Schedule.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be five (5) years commencing upon approval by Housing Authority's Board of Commissioners (**Board**), unless sooner terminated or extended, in whole or in part, as provided in this Contract (**Contract Term**).
- 4.2 The Contractor shall notify the Housing Authority Project Director when this Contract is within six (6) months of the expiration of the Contract Term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send a written notification to the Housing Authority Project Director at the address herein provided in Exhibit E - Housing Authority's Administration.

5.0 CONTRACT SUM

- 5.1 The Contractor shall submit to the Housing Authority an invoice, on a form approved by the Housing Authority, in accordance with the payment terms set forth in Exhibit B (Pricing Schedule) and Exhibit A (Statement of Work, Section 4.3 Travel Expenses). Upon receipt, the Housing Authority will pay the Contractor within thirty (30) days of receipt of the invoice in accordance with Exhibit B (Pricing Schedule). The total amount of compensation under this Contract shall not exceed One Million Two Hundred Fifty Thousand and 0/100 Dollars (\$1,250,000), which shall include all related expenses (**Contract Sum**).
- 5.2 The Contractor shall be paid in accordance with the Housing Authority's standard accounts payable system.
- 5.3 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein and in accordance with the Exhibit A, Statement of Work, Section 4.3 Travel Expenses. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall not occur except with the Housing Authority's express prior written approval.
- 5.4 The Contract Sum shown in Paragraph 5.1 and in accordance with the Fee Schedule – Exhibit B shall be deemed to include all amounts necessary for Housing Authority to reimburse Contractor

for all applicable California and other state and local sales/use taxes on all System Software provided by Contractor to Housing Authority pursuant to or otherwise due as a result of this Contract, including, but not limited to, the product of as-needed Services and enhancements or changes to the System Software, to the extent applicable. All California sales/use taxes shall be paid directly by Contractor to the State or other taxing authority. Contractor shall be solely liable and responsible for, and shall indemnify, defend, and hold harmless Housing Authority from, any and all such California and other state and local sales/use taxes arising in connection with this Contract. Further, Contractor shall be solely liable and responsible for, and shall indemnify, defend, and hold harmless Housing Authority from all applicable California and other state and local sales/use tax on all other items provided by Contractor pursuant to this Contract and shall pay such tax directly to the State or other taxing authority. Housing Authority authorizes and allows Contractor to have sole control of the defense and/or settlement of any claim; provided, however, any admission and/or settlement must be made only with the prior written consent of the Housing Authority if the admission and/or settlement requires any action on the party of the Housing Authority or impacts its name or reputation. In addition, Contractor shall be solely responsible for all taxes based on Contractor's income or gross revenue, or personal property taxes levied or assessed on Contractor's personal property to which Housing Authority does not hold title.

5.5 No Payment for Services Provided Following Expiration/Termination of Contract

Except for amounts due in connection with transition services provided by Contractor in accordance with sections 8.53.3 or 8.53.4, the Contractor shall have no claim against Housing Authority for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify Housing Authority and shall promptly, following Contractor's discovery of the improper payment, repay all such funds to Housing Authority. Payment by Housing Authority for services rendered after expiration/termination of this Contract shall not constitute a waiver of Housing Authority's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Contract. To clarify, upon the termination or expiration of this Contract, Housing Authority shall pay any and all undisputed fees due to Contractor for Services or annual license

fees which became due and owing to Contractor prior to the termination or expiration of the Contract.

5.6 Invoices and Payments

5.6.1 The Contractor shall invoice the Housing Authority in accordance with the payment terms set forth in Exhibit B (Pricing Schedule). The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the Housing Authority under the terms of this Contract. The Contractor's payments shall be as provided in the Pricing Schedule - Exhibit B and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work not disputed by Housing Authority within 30 days of Housing Authority's receipt of the invoice. If Housing Authority disputes any fees in writing no payment shall be due to the Contractor for that work until the parties reach an agreement regarding the disputed fees. The making of any payment or payment by Housing Authority, or receipt thereof by the Contractor, shall not imply the waiver of any warranties or requirements of this Contract.

5.6.2 The Contractor's invoices shall be priced in accordance with the Pricing Schedule - Exhibit B.

5.6.3 The Contractor's invoices shall be legible and contain the information set forth in the SOW - Exhibit A describing the tasks, deliverables, goods, services, and/or other work for which payment is claimed. Each invoice shall include, at a minimum, the following information:

- Invoice date, unique invoice number, and the month and year when the service(s) was delivered.
- Contractor's Tax Identification Number and remittance address.
- Contract Name and Contract Number
- The tasks, subtasks, deliverables, goods, services or other work as described in Exhibit A – SOW and Exhibit B – Pricing Schedule for which payment is claimed.
- Each line item on the invoice should be numbered sequentially.

5.6.4 The Contractor shall submit invoices to the Housing Authority in accordance with Exhibit B (Pricing Schedule).

5.6.5 All invoices and supporting documentation shall be submitted to:

- Email Address: maryann.robles@lacdc.org; or
- Two copies to the following address:
Housing Authority of the County of Los Angeles
700 W. Main Street
Alhambra, CA 91801
Attn: Information Technology, Maryann Robles

5.6.6 The Housing Authority Project Manager shall contact the Contractor when a revised invoice is required. The Contractor shall notate “Revised” or “Corrected” on the corrected invoice, update the invoice date, and resubmit in accordance with Section 5.6.5. If the revised invoice uses a different invoice number, the revised invoice shall also reference the original invoice number.

5.6.7 Holdbacks. INTENTIONALLY OMITTED.

5.6.8 Housing Authority Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the Housing Authority’s Project Manager prior to any payment thereof. In no event shall the Housing Authority be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld, and in no instance will such approval take more than two weeks from receipt of properly prepared invoices by the Housing Authority. The Contractor shall submit a revised invoice when requested by the Housing Authority in accordance with Section 5.6.6.

5.6.9 Invoice Discrepancies

The Housing Authority’s Project Director will review each invoice for any discrepancies and will, within sixty (60) days of receipt thereof, notify Contractor in writing of any discrepancies found upon such review and submit a list of disputed charges. Contractor shall review the disputed charges and send a written explanation detailing the basis for the charges within thirty (30) days of receipt of Housing Authority’s notice of discrepancies and disputed charges. If

the Housing Authority's Project Director does not receive a written explanation for the charges within such thirty (30) day period, Contractor shall be deemed to have waived its right to justify the original invoice amount, and Housing Authority, in its reasonable discretion, shall determine the amount due, if any, to Contractor and pay such amount in satisfaction of the disputed invoice, subject to the Dispute Resolution Procedure in Paragraph 8.35.

6.0 ADMINISTRATION OF CONTRACT - HOUSING AUTHORITY

HOUSING AUTHORITY ADMINISTRATION

A listing of all Housing Authority Administration referenced in the following subparagraphs is designated in Exhibit E - Housing Authority's Administration. The Housing Authority will notify the Contractor in writing of any change in the names or addresses shown.

Housing Authority Personnel

Housing Authority shall assign a Project Director and a Project Manager to provide overall management and coordination of the Contract and act as liaisons for the Housing Authority. The Housing Authority Project Director shall provide information to the Contractor in areas relating to policy and procedural requirements and the Housing Authority Project Manager will monitor the Contractor's performance during the Term of the Contract. Housing Authority will inform the Contractor in writing of the name, address, and telephone number of the individuals designated to act as Project Director and Project Manager, or any alternate identified in Exhibit E - Housing Authority's Administration, of this Contract at the time the Contract is executed and notify the Contractor as changes occur.

6.1 HOUSING AUTHORITY'S PROJECT DIRECTOR

6.1.1 The Housing Authority's Project Director is designated in Exhibit E – Housing Authority's Administration. The Housing Authority shall contact the Contractor in writing of any changes in the name or address of the Housing Authority's Project Director.

6.1.2 The Housing Authority's Project Director shall be responsible for ensuring that the objectives of this Contract are met, coordinating and ensuring Housing Authority's cooperation with Contractor to meet the objectives of this Contract, determining Contractor's compliance with the

Contract, and inspecting all Services and Deliverables provided by Contractor.

6.1.3 The Housing Authority's Project Director is responsible for providing overall direction to Contractor in the areas relating to the Housing Authority policy, information requirements, and procedural requirements.

6.1.4 The Housing Authority's Project Director is not authorized to make any changes in any of the terms and conditions of this Contract, except as permitted in accordance with Subparagraph 8.1, Change Notices and Amendments, and is not authorized to further obligate the Housing Authority in any respect whatsoever.

6.2 HOUSING AUTHORITY'S PROJECT MANAGER

6.2.1 The responsibilities of the Housing Authority's Project Manager includes:

- As needed, requesting meetings with the Contractor's Project Manager; and
- Inspecting any and all Services and Deliverables provided by the Contractor.

6.2.2 The Housing Authority's Project Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate the Housing Authority in any respect whatsoever.

7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

Contractor Personnel

The Contractor shall assign a sufficient number of employees to perform the required work and must speak and understand English.

The Contractor shall be required to have performed background checks on its employees as a condition of employment, as set forth in Subparagraph 7.6, Background and Security Investigations, of this Contract.

7.1 Contractor's Project Director

7.1.1 The Contractor's Project Director shall be a full-time employee of the Contractor. The Contractor's Project Director shall be the principal officer in the Contractor's office to service the Contract and to act as a liaison for the Contractor in coordinating the performance under the Contract. Housing Authority must be provided in writing with the name, address, and telephone number of the individual designated to act as the Project Director or any alternate identified in Exhibit F – Contractor's Administration, and provide a current copy of the person's resume at the time the Contract is executed and notify Housing Authority as changes occur.

7.1.2 The Contractor's Project Director shall be responsible for the Contractor's performance of all Services and Deliverables provided by the Contractor and ensuring Contractor's compliance with this Contract.

7.1.3 The Contractor's Project Director shall be available to meet and confer with the Housing Authority's Project Director on an as needed basis, either in person or by telephone as mutually agreed by the parties, to review Contract performance and discuss Contract coordination. Such meetings shall be conducted at a time and place as mutually agreed by the parties.

7.2 Contractor's Project Manager

7.2.1 The Contractor's Project Manager is designated in Exhibit F - Contractor's Administration. The Contractor shall notify the Housing Authority in writing of any change in the name or address of the Contractor's Project Manager.

7.2.2 The Contractor shall assign a Project Manager to act as liaison for the Contractor and have full authority to act on behalf of the Contractor in all matters related to the daily operation of the Contract. The Project Manager shall be available on a daily basis Monday through Friday (excluding holidays) during standard business hours (Pacific Time) for telephone contact and to meet with Housing Authority personnel regarding the operation of the Contract.

7.3 Notice of Personnel Changes

The Contractor shall inform the Housing Authority Project Director in writing of the names, addresses, and telephone numbers of the

individuals designated to act as Project Manager at the time the Contract is implemented and as changes occurs during the term of the Contract. Such notification shall be made by the Contractor no later than five (5) days after a change occurs. The Housing Authority shall have the right to reasonably request the assignment or replacement of any personnel recommended by the Contractor.

7.4 Approval of Contractor's Staff

If the Housing Authority reasonably requests Contractor in writing to change Contractor's staff performing work hereunder, Contractor agrees to use commercially reasonable efforts to accommodate Housing Authority's request.

7.5 Contractor's Staff Identification

7.5.1 The Contractor shall provide adequate staff to complete the Services.

The Contractor shall provide all staff assigned to this Contract with a photo identification badge when on the Housing Authority premises in accordance with the Housing Authority specifications. Specifications may change at the discretion of the Housing Authority and the Contractor will be provided new specifications as required. The format and content of the badge is subject to the Housing Authority's approval prior to the Contractor implementing the use of the badge. The Contractor staff, while on duty or when entering a Housing Authority facility or its grounds, shall prominently display the photo identification badge on the upper part of the body. Contractor personnel may be asked by a Housing Authority representative to leave a Housing Authority facility if they do not have the proper Housing Authority ID badge on their person and Contractor personnel must immediately comply with such request.

7.5.2 The Contractor shall notify (which made be provided by email) the Housing Authority within five Days when staff is terminated from working under this Contract.

7.6 Background and Security Investigations

7.6.1 All Contractor staff performing work under this Contract shall have undergone and passed, as a condition of employment, an employment background check.

- 7.6.2** The Housing Authority may reasonably request that Contractor's employee(s) be immediately removed from working on this Contract at any time during the term of the Contract and Contractor agrees to undertake commercially reasonable efforts to accommodate Housing Authority's request.
- 7.6.3** The Housing Authority, in its reasonable discretion, may immediately deny or terminate facility access to any member of Contractor's staff.
- 7.6.4** Disqualification of any member of Contractor's staff pursuant to this Paragraph 7.6 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.
- 7.6.5** Upon Housing Authority's written request, the Contractor agrees to confirm that an employment background check was completed for an identified member of Contractor's staff assigned to Housing Authority's account.

7.7 Confidentiality

- 7.7.1** Each party shall maintain the confidentiality of all records and information disclosed by the other party ("**Discloser**"), including but not limited to, (i) billing and sensitive financial information, records, or data, (ii) information, patent, copyright, trade secret and other proprietary information, (iii) information about the System Software (including but not limited to source code, object code, database dictionaries, network diagrams, and schema), other Contractor software programs, Deliverables, Yardi Cloud, Yardi Cloud Services, Documentation, (iv) Personally Identifiable Information, Housing Authority Data, (v) any information relating to either party's customers, (vi) the Housing Authority's users, patients, partners, or personnel, (vii) Contractor's SSAE16 audit reports and PCI DSS attestations of compliance and any information related to SSAE16 audit reports and/or PCI DSS attestations of compliance, and (viii) any other data, records and information received, obtained and/or produced under the provisions of this Contract ("**Confidential Information**") in accordance with all directly applicable Federal, State and local laws, rules, regulations, ordinances, directives,

guidelines, policies and procedures relating to confidentiality.

- 7.7.2** The party receiving Confidential Information (“**Recipient**”) agrees that all Confidential Information supplied by the Discloser and its affiliates and agents to the Recipient, will be deemed confidential and proprietary to the Discloser, regardless of whether such information was disclosed intentionally or unintentionally or marked as “confidential” or “proprietary”.
- 7.7.3** The Recipient’s employees may use Confidential Information received from the Discloser only to perform the obligations and functions set forth in this Contract.
- 7.7.4** Disclosures which are required by law, such as a court order, or which are made with the explicit written authorization of the Discloser are allowable. Except as otherwise permitted by section 7.7.5, any other use or disclosure of Confidential Information requires the express approval in writing from the Discloser. No work shall duplicate, disseminate or disclose any data except as allowed in this Contract.
- 7.7.5** Access to Confidential Information received from the Discloser shall be restricted only to employees who (i) need to know the information to perform their official duties in the performance of this Contract, and (ii) are subject to confidentiality obligations substantially similar to those set forth in this Contract.
- 7.7.6** The Recipient shall be permitted to disclose Confidential Information of the Discloser: (A) to the extent required by law to do so, such as by a court order, provided that the Recipient shall provide the Discloser with prior notice of the required disclosure (to the extent legally permitted) in order to allow the Discloser an opportunity to request confidential treatment or to obtain a protective order before such disclosure; (B) to the minimum extent necessary to enforce its rights under this Contract; and (C) in the course of a regulatory examination, audit or inspection. -
- 7.7.7** Recipient agrees to use the same standard of care to protect the Discloser’s Confidential Information as it uses to protect its own Confidential Information of a similar

nature, which shall, at a minimum, be a reasonable standard of care.

- 7.7.8** The Contractor shall indemnify, defend, and hold harmless the Housing Authority, its officers, employees, and agents, from and against any and all third party claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs, and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.7. Any legal defense pursuant to the Contractor's indemnification obligations under this Paragraph 7.7 shall be conducted by the Contractor and performed by the legal counsel selected by the Contractor. Housing Authority authorizes and allows Contractor to have sole control of the defense and/or settlement of any claim; provided, however, any admission and/or settlement must be made only with the prior written consent of the Housing Authority if the admission and/or settlement requires any action on the party of the Housing Authority or impacts its name or reputation. Notwithstanding the preceding sentence, the Housing Authority shall have the right to monitor in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide Housing Authority with a full and adequate defense, as determined by the Housing Authority in its reasonable judgment, the Housing Authority shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from the Contractor for all reasonable costs and expenses incurred by the Housing Authority in doing so. The Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of the Housing Authority that includes a statement as to, or an admission of, fault or culpability of Housing Authority without the Housing Authority's prior written approval.
- 7.7.9** Each party shall inform all of its officers, employees, agents and subcontractors of the confidentiality provisions of this Contract.
- 7.7.10** The Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement, Confidentiality, and Copyright Assignment Agreement", Exhibit L.

- 7.7.11** The Contractor may not subcontract its obligations to provide the System Software or related Services called for under this Contract. Housing Authority acknowledges and agrees that the independent service providers from which Yardi leases space to locate the servers and equipment needed to provide the Yardi Cloud are not subcontractors for purposes of this section 7.7.11. In the event it does do so, the Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the provisions of the “Contractor Non-Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement”, Exhibit N.
- 7.7.12** During the Contract Term, the Contractor shall maintain an updated file of the signed forms and shall forward copies of all signed forms to the Housing Authority Project Director whenever changes in personnel occur.
- 7.7.13** All of the Housing Authority Data is deemed confidential, and shall be and remain the property of Housing Authority and Housing Authority shall retain exclusive rights and ownership thereto. The Housing Authority Data shall not be used by Contractor for any purpose other than as required under this Contract, nor shall such data or any part of such data be disclosed, sold, assigned, leased, or otherwise disposed of to third parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, or agents. Notwithstanding the foregoing, subject to this Sub-Paragraph 7.7, Contractor may aggregate, compile, and use Housing Authority Data in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by Contractor; provided that no Housing Authority Data in such aggregated or compiled pool is identifiable as originating from, or can be traced back to, Housing Authority or a Housing Authority prospect or tenant, and such data cannot be associated or matched with an identifiable profile or personally identifiable information
- 7.7.14** In connection with this Contract and performance of the Services, Contractor may be provided or obtain, from Housing Authority or otherwise, Personally Identifiable Information, pertaining to Housing Authority's current and

prospective personnel, directors and officers, agents, subcontractors, patients, and customers and may need to process such Personally Identifiable Information and/or transfer it, all subject to the restrictions set forth in this Contract and otherwise in compliance with all applicable foreign and domestic laws and regulations for the sole purpose of performing the Services. Without limiting any other warranty or obligation specified in this Contract, and in particular the confidentiality provisions of this Sub-Paragraph 7.7, Confidentiality, during the Contract Term and thereafter in perpetuity, Contractor will not gather, store, log, archive, use, or otherwise retain any Personally Identifiable Information in any manner and will not disclose, distribute, sell, share, rent, or otherwise transfer any Personally Identifiable Information to any third party, except as expressly required to perform its obligations in this Contract or as Contractor may be expressly directed in advance in writing by Housing Authority. Contractor will not retain any Personally Identifiable Information for any period longer than necessary for Contractor to fulfill its obligations under this Contract. As soon as Contractor no longer needs to retain such Personally Identifiable Information in order to perform its duties under this Contract, Contractor will promptly return or destroy or erase all originals and copies of such Personally Identifiable Information.

8.0 STANDARD TERMS AND CONDITIONS

8.1 CHANGE NOTICES AND AMENDMENTS

8.1.1 The Housing Authority reserves the right to initiate change notices that either (i) **do not affect** the Contract Term or Contract Sum or payments and do not materially alter the Contract, or (ii) for any expenditure of Pool Dollars (**Change Notice**). All such changes shall be executed with a Change Notice to this Contract signed by the Contractor and by the Housing Authority's Project Director. For any Optional Work requested by Housing Authority, following agreement on the scope of such Optional Work in accordance with section 3.4, a Change Notice shall be prepared and executed by each of: (a) the Housing Authority's Project Director or designee, and (b) Contractor's authorized representative(s); provided that any Change Notice for Optional Work shall additionally require written approval of County Counsel. Housing Authority

represents that it is specifically authorized to execute Change Notices for expenditure of Pool Dollars for acquisition of Optional Work under the Contract. Any requests for the expenditure of Pool Dollars must be approved in writing by the Housing Authority's Project Director.

- 8.1.2** For any change, which affects the Contract Sum and/or SOW that does not materially alter the Contract, an Amendment to this Contract shall be prepared and executed by the Contractor and by the Executive Director, or designee, provided County Counsel approval is obtained prior to execution of such Amendment(s).
- 8.1.3** For any change which affects the Contract Term, the Contract Sum and/or SOW under this Contract, that materially alters the Contract, an Amendment to this Contract shall be prepared and executed by the Contractor and by the Board or its authorized designee.
- 8.1.4** The Housing Authority's Board or Executive Director, or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The Housing Authority reserves the right to add and/or change such provisions as required by the Housing Authority's Board or Executive Director. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and by the Executive Director, or designee.
- 8.1.5** The Executive Director, or designee, may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - Term of Contract. For the exercise of the Housing Authority's additional optional one-year period extensions, a written notice shall be prepared and signed by the Executive Director, or designee and delivered to the Contractor prior to the expiration of the then current Contract Term. The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions.

8.2 ASSIGNMENT AND DELEGATION

- 8.2.1** The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of Housing Authority, in its discretion, and any attempted assignment or delegation

without such consent shall be null and void. For purposes of this subparagraph, the Housing Authority's consent shall require a written Amendment to the Contract, which is formally approved and executed by the parties. Any payments by the Housing Authority to any approved delegatee or assignee on any claim under this Contract shall be deductible, at Housing Authority's sole discretion, against the claims, which the Contractor may have against the Housing Authority.

8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. Notwithstanding the restrictions set forth in section 8.2.1, Housing Authority agrees that Contractor may assign its obligations, or this Contract generally, in the event of: (i) a merger involving Contractor, (ii) a sale or transfer of a controlling interest in Contractor, or (iii) an asset sale involving all or a substantial portion of Contractor's assets; provided that Contractor gives advance written notice of such assignment to Housing Authority and provides Housing Authority a reasonable opportunity to investigate and approve the incoming assignee prior to the assignment. Any party to whom Contractor transfers its obligations under this Agreement, in accordance with this section 8.2.2, shall assume the obligations and perform such obligations as materially required by this Agreement.

8.2.3 Except as otherwise permitted by section 8.2.2, Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without Housing Authority's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, Housing Authority shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 WARRANTIES

- 8.3.1** The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.
- 8.3.2** The Services will be performed in a professional and workmanlike manner by appropriately qualified Contractor personnel in accordance with this Contract and consistent with industry practices.

The System Software shall substantially conform to the Documentation. Contractor does not warrant that the System Software will meet Housing Authority's requirements and expectations.

- 8.3.3** This warranty is not intended to prevent the Contractor from incorporating its License File which enforces Housing Authority's access and Use of the System Software. "License File" means Contractor's proprietary file which enforces the scope (e.g., expiration date, Designated User count, Property count, System Software mix, etc.) of Housing Authority's License. Housing Authority acknowledges that the System Software requires a License File for operation. Contractor represents and warrants that Contractor shall not intentionally cause any unplanned interruption of the operations of, or accessibility to, the System or any component through any device, method or means including, without limitation, the use of any "virus", "lockup", "time bomb", or "key lock", "worm", "back door" or "Trojan Horse" device or program, or any disabling code, which has the potential or capability of compromising the security of Housing Authority's Confidential Information or of causing any unplanned interruption of the operations of, or accessibility of the System or any component to Housing Authority or any user or which could alter, destroy, or inhibit the use of the System or any component, or the data contained therein (collectively, **Disabling Device(s)**), which could block access to or prevent the use of the System or any component by Housing Authority or users. Contractor represents, warrants, and agrees that it has not purposely placed, nor is it aware of (except the License File), any

Disabling Device in any System component provided to Housing Authority under this Contract, nor shall Contractor knowingly permit any subsequently delivered or provided System component to contain any Disabling Device.

- 8.3.4** To the best of Contractor's knowledge, Housing Authority's permitted use of the System will not infringe the intellectual property rights of any third party.
- 8.3.5** There is no known pending or threatened litigation that would have a material adverse impact on Contractor's performance under the Contract.
- 8.3.6** Contractor warrants that there are no third party contracts or software included in the System. As of the date furnished, no statement contained in writing in Contractor's response to the request for proposals for the System contains any materially untrue statements about the prior experience or corporate description of Contractor, or omits any fact necessary to make such statement not misleading. This Contract and the System Software licensed or acquired herein, are neither subject to any liens, encumbrances, or pledges nor subordinate to any right or claim of any third party, including Contractor's creditors. Housing Authority is entitled to use the System as specified herein.
- 8.3.7** In the event that Contractor breaches any of the warranties set forth in this Contract, Contractor agrees to use commercially reasonable efforts to modify the System Software to conform to the warranty or otherwise remedy the breach ("**Warranty Remedies**"). Housing Authority's remedies under the Contract for the breach of the warranties set forth in this Contract are limited to the Warranty Remedies. If the modification by Contractor, at its own expense, of the non-conforming System Software or other corrective measures afforded to Housing Authority by Contractor under this Contract are not commercially reasonable, then Contractor will notify the Housing Authority and Housing Authority may terminate this Contract. In the event Housing Authority terminates this Agreement per this Sub-Paragraph 8.3.7, Contractor will refund to Housing Authority, on a pro-rata basis, the annual fees paid by Housing Authority to Contractor within the year prior to the effective date of Housing Authority's termination. **THE FOREGOING REMEDY IS HOUSING AUTHORITY'S SOLE**

REMEDY IN THE EVENT OF CONTRACTOR'S BREACH OF THE WARRANTIES SET FORTH IN THIS CONTRACT.

8.4 USERS AND PASSWORDS

Housing Authority agrees that its exercise of the license granted by this Agreement shall only be through its Designated Users. Housing Authority's license to access and Use the Yardi Cloud and System Software is limited as provided in Exhibit B (Pricing Schedule). Each Designated User must have a unique Password. Housing Authority Project Manager will be Designated Users, will designate the other Designated Users, and will provide each other Designated User with a Password. Each Password shall be personal and unique to the applicable Designated User, and may not be used by anyone other than such Designated User. Each Password may only be used from 1 computer at any given time. Housing Authority shall be responsible for maintaining Designated User Password security. Housing Authority shall inform each Designated User of this Agreement's terms and restrictions and shall enforce such restrictions. Housing Authority agrees to notify Contractor if Housing Authority becomes aware of any failure of a Designated User to adhere to the license terms and restrictions in this Agreement.

8.5 BUDGET REDUCTIONS

In the event that the Housing Authority's Board adopts, in any fiscal year, a Housing Authority Budget which provides for reductions in the salaries and benefits paid to the majority of Housing Authority employees and imposes similar reductions with respect to Housing Authority contracts, the Housing Authority reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The Housing Authority's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Contract.

8.6 COMPLAINTS

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

- 8.6.1** Within ten business days after the Contract effective date, the Contractor shall provide the Housing Authority with the Contractor's policy for receiving, investigating and responding to user complaints.
- 8.6.2** The Housing Authority will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.
- 8.6.3** If the Housing Authority requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five business days for Housing Authority's approval.
- 8.6.4** If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the Housing Authority for approval before implementation.
- 8.6.5** The Contractor shall preliminarily investigate all complaints and notify the Housing Authority's Contract Administrator of the status of the investigation within five business days of receiving the complaint.
- 8.6.6** When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.6.7** Copies of all written responses shall be sent to the Housing Authority's Contract Administrator within three business days of mailing to the complainant.

8.7 COMPLIANCE WITH APPLICABLE LAW

- 8.7.1** In the performance of this Contract, Contractor shall comply with all applicable federal, state and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.
- 8.7.2** Contractor shall indemnify, defend, and hold harmless Housing Authority, its officers, employees, and agents, from and against any and all 3rd party claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting, and other

expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any directly applicable laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures applicable to Contractor's performance of its obligations under this Contract. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 8.6 shall be conducted by Contractor and performed by the Counsel selected by Contractor and approved by Housing Authority. Notwithstanding the preceding sentence, Housing Authority shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide Housing Authority with a full and adequate defense, Housing Authority shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Contractor for all such reasonable costs and expenses incurred by Housing Authority in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or to make any admission, in each case, on behalf of Housing Authority without Housing Authority's prior written approval, which approval shall not be unreasonably withheld.

8.8 COMPLIANCE WITH CIVIL RIGHTS LAWS

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit D, Contractor's EEO Certification.

8.9 SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

The Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the

benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

8.10 AGE DISCRIMINATION ACT OF 1975 AND SECTION 504 OF THE REHABILITATION ACT OF 1973

The Contractor shall comply with the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

8.11 EXECUTIVE ORDER 11246 AND 11375, EQUAL OPPORTUNITY IN EMPLOYMENT (NON-DISCRIMINATION EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS)

The Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Contractor will send to each labor union or representative of workers with which he has a collective bargaining Contract or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of

the notice in conspicuous places available to employees and applicants for employment. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Housing Authority and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Contractor's noncompliance with the non-discrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as the Housing Authority may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the Housing Authority, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

8.12 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.12.1 Jury Service Program

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service (**Jury Service Program**) as codified in Sections 2.203.010 through

2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit H and incorporated by reference into and made a part of this Contract.

8.12.2 Written Employee Jury Service Policy

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any Subcontractor to perform services for the County under the Contract, the Subcontractor shall also be subject to the provisions of this subparagraph. The provisions of this subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate, to the County's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.
4. Contractor's violation of this subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.13 CONFLICT OF INTEREST

8.13.1 No Housing Authority employee whose position with the Housing Authority enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the Housing Authority's approval, or ongoing evaluation of such work, or in any way attempt to unlawfully influence the Housing Authority's approval or ongoing evaluation of such work.

8.13.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the Term of this Contract. The Contractor

warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the Housing Authority. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this subparagraph shall be a material breach of this Contract.

8.14 CONSIDERATION OF HIRING HOUSING AUTHORITY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent Housing Authority employees who are targeted for layoff or qualified, former Housing Authority employees who are on a re-employment list during the life of this Contract.

8.15 SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968, AS AMENDED

8.15.1 The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

8.15.2 The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

8.15.3 The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a

collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- 8.15.4** The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- 8.15.5** The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.
- 8.15.6** Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.
- 8.15.7** With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to

Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

8.16 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.16.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Contract. It is the County's policy to conduct business only with responsible Contractors.

8.16.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

8.16.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a Term of a Contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness, or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.16.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.

5. The Contractor Hearing Board will consider a request for review of a debarment determination only where: (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.16.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of the County Contractors.

8.17 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

8.18 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.18.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contracts are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.18.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.19 HOUSING AUTHORITY'S QUALITY ASSURANCE PLAN

The Housing Authority or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. The Contractor deficiencies which the Housing Authority determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors.

The report will include improvement/corrective action measures taken by the Housing Authority and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

8.20 DAMAGE TO HOUSING AUTHORITY FACILITIES, BUILDINGS, OR GROUNDS

8.20.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to Housing Authority facilities, buildings, or grounds caused by the Contractor, employees or authorized agents of the Contractor. Such repairs shall be made immediately after the Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.20.2 If the Contractor fails to make timely repairs, Housing Authority may make any necessary repairs. All costs incurred by Housing Authority, as determined by Housing Authority, for such repairs shall be repaid by the Contractor by cash payment upon demand.

8.21 EMPLOYMENT ELIGIBILITY VERIFICATION

8.21.1 The Contractor warrants that it fully complies with all federal and state statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in federal and state statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal and state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.21.2 The Contractor shall indemnify, defend, and hold harmless, the Housing Authority, its agents, officers, and employees from employer sanctions and any third party claims or liability which may be assessed against the Contractor or the Housing Authority or both in connection with any alleged violation of any federal or state statutes or regulations pertaining to the eligibility for employment of any persons employed by Contractor who are performing work under this Contract. Housing Authority authorizes and allows Contractor to have sole control of the defense and/or settlement of any claim; provided, however, any admission

and/or settlement must be made only with the prior written consent of the Housing Authority if the admission and/or settlement requires any action on the party of the Housing Authority or impacts its name or reputation.

8.22 FACSIMILE REPRESENTATIONS

The Housing Authority and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments and/or Change Notices prepared pursuant to Subparagraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments and/or Change Notices to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.23 FAIR LABOR STANDARDS

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the Housing Authority and its agents, officers, and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the Housing Authority may be found jointly or solely liable. Housing Authority authorizes and allows Contractor to have sole control of the defense and/or settlement of any claim; provided, however, any admission and/or settlement must be made only with the prior written consent of the Housing Authority if the admission and/or settlement requires any action on the party of the Housing Authority or impacts its name or reputation.

8.24 FORCE MAJEURE

8.24.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without

any fault or negligence of such party (such events are referred to in this subparagraph as "force majeure event(s)").

8.24.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this subparagraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

8.24.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.24.4 In the event a force majeure event continues for more than five (5) business days, Housing Authority may terminate this Contract by providing written notice to Contractor. Notwithstanding the foregoing, a force majeure event will not relieve Contractor of its obligations under Attachment 2 to Exhibit A - Statement of Work and Sub-Paragraph 7.7 (Confidentiality).

8.25 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the state of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the state of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the Housing Authority of Los Angeles.

8.26 INDEPENDENT CONTRACTOR STATUS

8.26.1 This Contract is by and between the Housing Authority and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant,

employee, partnership, joint venture, or association, as between the Housing Authority and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.26.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The Housing Authority shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, state, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.26.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the Housing Authority. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.26.4 The Contractor shall adhere to the provisions stated in Subparagraph 7.7 - Confidentiality.

8.27 INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the Housing Authority, Community Development Commission of the County of Los Angeles (**Commission**), County of Los Angeles (**County**), and each of their elected and appointed officers, officials, representatives, employees, and agents from and against any and all 3rd party claims, liability, demands, damages, causes of action, expenses, and fees (including reasonable attorney's fees and costs and expert witness fees), (hereinafter collectively referred to as "**3rd Party Liabilities**"), that arise out of, pertain to, or relate to: (a) injury to or death of any individual, or any loss of or damage to real or tangible personal property, caused by the act or omission of Contractor or of any of its agents, subcontractors, or employees; or (b) disclosure or exposure of Personal Information or other private information caused by the act or omission of Contractor or any of its agents, subcontractors, if any, or employees, except to the extent

caused by the negligence or willful misconduct of the Housing Authority, Commission, or County. If applicable, the Contractor agrees to require any and all entities with which it contracts to provide services directly for Housing Authority to agree to and abide by the above-mentioned indemnification requirements in favor of the Housing Authority, Commission, and County, as applicable to each of them. This indemnification provision shall remain in full force and effect. If applicable, the Contractor agrees to require any and all entities with which it contracts to provide services directly for Housing Authority to agree to and abide by the above-mentioned indemnification requirements in favor of the Housing Authority, Commission, and County, as applicable to each of them.

8.27.1 General Indemnification. INTENTIONALLY OMITTED.

8.27.2 Intellectual Property Indemnification. Contractor shall indemnify, hold harmless, and defend Housing Authority, its officers, employees, and agents, from and against any and all 3rd party claims, demands, damages, liabilities, losses, costs, and expenses, including, but not limited to, defense costs and legal, accounting, and other expert, consulting, or professional fees and attorney's fees, as such are incurred, for or by reason of any actual or alleged infringement of any third party's patent, copyright, or other intellectual property right, or any actual or alleged unauthorized trade secret disclosure or misappropriation, arising from or related to Housing Authority's authorized use of the System Software, Yardi Cloud, Yardi Cloud Services, Documentation, and/or Deliverables (collectively, the **Indemnified Items**) (collectively referred to for purposes of this Sub-paragraph as **Infringement Claim(s)**), provided that the Indemnified Item has not been altered, revised, or modified by Housing Authority in a manner that causes the alleged infringement. Notwithstanding the foregoing, Contractor shall have no indemnity obligation for infringement claims arising from (A) the development of custom software code required by Housing Authority and based on specifications provided by Housing Authority when Contractor has advised Housing Authority of potential infringement in writing; (B) Housing Authority's use of the Indemnified Items in excess of the rights granted hereunder; or (C) Housing Authority's failure to implement an update or enhancement to the Indemnified Items, provided Contractor provides the update or enhancement at no additional charge to Housing Authority and provides County with written notice that implementing the

update or enhancement would avoid the infringement. Any legal defense pursuant to Contractor's indemnification obligations under this Sub-paragraph shall be conditioned on (i) Housing Authority providing Contractor with prompt written notice of any claim for which indemnification is sought, (ii) Contractor having sole control of the defense and settlement of any Infringement Claim for which indemnification is sought and performed by counsel selected by Contractor, and (iii) Housing Authority's reasonable cooperation with Contractor in the defense and settlement of the claim. Notwithstanding the foregoing, Housing Authority shall have the right to participate in any such defense at its sole cost and expense.

8.27.3 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that Housing Authority's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that Housing Authority's continued use of the system is not materially impeded, shall either: (a) Procure for Housing Authority all rights to continued use of the questioned equipment, part, or software product; or (b) Replace the questioned equipment, part, or software product with a non-questioned item; or (c) Modify the questioned equipment, part, or software so that it is free of claims. If neither (a), (b) or (c) are commercially practicable, either party may terminate this Contract upon written notice to the other party in which event Contractor agrees to refund a pro-rata portion of Housing Authority's then-current annual fees (to the extent previously paid) determined by dividing the number of days remaining in Housing Authority's then-current annual license period (as of the termination effective date) by 365 and multiplying by Housing Authority's then-current annual fees to the extent previously paid.

8.27.4 The Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended as set forth in the Documentation.

8.28 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of Housing Authority, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.27 and 8.28 of this Contract. These minimum insurance coverage terms, types, and limits (**Required Insurance**) also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The Housing Authority in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract. All insurance policies, endorsements and waivers required herein shall be maintained in full force and effect until the expiration of any applicable statute of limitations, but in any event for a period of not less than five (5) years following completion by Contractor of all work and services under this Agreement.

8.28.1 Evidence of Coverage and Notice to Housing Authority

- Certificate(s) of insurance coverage (Certificate) satisfactory to Housing Authority, and a copy of an Additional Insured endorsement confirming Housing Authority and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to Housing Authority at the address shown below and provided 15 business days prior to commencing services under this Contract.
- Renewal Certificates shall be provided to Housing Authority not more than fifteen business days after the Contractor's policy expiration dates. The Housing Authority reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by a person authorized by the insured to bind coverage on its behalf. The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance

Authorities) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any Housing Authority required endorsement forms. The Housing Authority may require the Contractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

- Neither the Housing Authority's failure to obtain, nor the Housing Authority's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

Housing Authority of the
County of Los Angeles
700 W. Main Street
Alhambra, CA 91801
Attn: Information Technology, Maryann Robles

Contractor also shall promptly report to Housing Authority any injury, or property damage accident, or incident, including any injury to a Contractor employee occurring on Housing Authority property, and any loss, disappearance, destruction, misuse, or theft of Housing Authority property, monies or securities entrusted to the Contractor.

The Contractor also shall promptly notify the Housing Authority of any third party claim or suit filed against the Contractor or any of its Sub-Contractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against the Contractor and/or the Housing Authority.

8.28.2 Additional Insured Status and Scope of Coverage

The Housing Authority, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively **Housing Authority and its Agents**) shall be provided additional insured status under Contractor's General Liability

policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the Housing Authority. Housing Authority and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the Housing Authority. The full policy limits and scope of protection also shall apply to the Housing Authority and its Agents as an additional insured, even if they exceed the Housing Authority's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.28.3 Cancellation of or Changes in Insurance

The Contractor shall provide the Housing Authority with, or the Contractor's insurance policies shall contain a provision that the Housing Authority shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage, or policy period. The written notice shall be provided to the Housing Authority at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the Housing Authority, upon which the Housing Authority may suspend or terminate this Contract.

8.28.4 Failure to Maintain Insurance

The Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which the Housing Authority immediately may withhold payments due to the Contractor, and/or suspend or terminate this Contract. The Housing Authority, at its sole discretion, may obtain damages from the Contractor resulting from said breach. Alternatively, the Housing Authority may purchase the Required Insurance, and without further notice to the Contractor, deduct the premium cost from sums due to the Contractor or pursue the Contractor reimbursement.

8.28.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the Housing Authority with A.M. Best ratings of not less than A:VII unless otherwise approved by Housing Authority.

8.28.6 Contractor's Insurance Shall Be Primary

The Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to the Contractor. Any Housing Authority maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.28.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against Housing Authority under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.28.8 Sub-Contractor Insurance Coverage Requirements

The Contractor shall include all Sub-Contractors as insureds under the Contractor's own policies, or shall provide the Housing Authority with each Sub-Contractor's separate evidence of insurance coverage. The Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the Housing Authority and the Contractor as additional insureds on the Sub-Contractor's General Liability policy. The Contractor shall obtain the Housing Authority's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

8.28.9 Deductibles and Self-Insured Retentions (SIRs)

The Contractor's policies shall not obligate the Housing Authority to pay any portion of any Contractor deductible or SIR. The Housing Authority may require the Contractor to provide proof of ability to pay losses and related

investigations, claim administration, and defense expenses within the retention.

Such bond shall be executed by a corporate surety licensed to transact business in the state of California.

8.28.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date must be shown shall precede the effective date of this Contract or the beginning of contracted work. Contractor understands and agrees it shall maintain such coverage for a period of not less than five years following Contract expiration, termination or cancellation. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of **five (5)** years after completion of contract work.

8.28.11 Application of Excess Liability Coverage

Contractors may use a combination of primary and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.28.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.28.13 Alternative Risk Financing Programs

The Housing Authority reserves the right to review, and then approve, the Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The Housing Authority and its Agents shall be designated as an Additional Covered Party under any approved program.

8.28.14 Housing Authority Review and Approval of Insurance Requirements

The Housing Authority reserves the right to review and adjust the Required Insurance provisions, conditioned upon Housing Authority's determination of changes in risk exposures.

8.29 INSURANCE COVERAGE

8.29.1 Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming Housing Authority and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$2 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

The Housing Authority, Commission, County, and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as the "Public Agencies and their Agents"), shall be named as additional insureds for contractor's work on such policy.

8.29.2 Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.29.3 Workers' Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate

Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the Housing Authority as the Alternate Employer, and the endorsement form shall be modified to provide that Housing Authority will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workman's compensation law or any federal occupational disease law.

8.29.4 Professional Liability/Errors and Omissions

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three years following this Contract's expiration, termination, or cancellation.

8.29.5 Technology Errors and Omissions

Insurance, including coverage for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included subject to the terms of the applicable policy. By way of example, and subject to change based on the specific policy terms, the Technology Errors and Omissions policy should generally provide coverage for the following types of activities (1) systems analysis (2) systems programming (3) data processing (4) systems integration (5) outsourcing including outsourcing development and design (6) systems design, consulting, development and modification (7) training services relating to computer software or hardware (8) management, repair and maintenance of computer products, networks and systems (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, with limits not less than \$10 million. The claims covered by Contractor's Technology Errors and Omissions policy shall be solely determined by reference to the terms of the applicable policy then in effect.

This policy must be maintained in full force and effect until the expiration of any applicable statute of limitations, but in any event for a period of not less than five (5) years following completion by Contractor of all work and services under this Agreement.

8.29.6 Privacy/Network Security (Cyber)

Liability coverage providing protection for first and third party claims in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate. Contractor agrees that the coverage provided for under its Privacy/Network Security (Cyber) policy shall be substantially similar to, and not materially less than, the Privacy/Network Security (Cyber) policy in effect as of the effective date of this Contract with policy number MPL2125890.17. Housing Authority acknowledges that the insuring agreements and exclusions from coverage under Contractor's Privacy/Network Security (Cyber) policy shall be solely determined by reference to the terms of the applicable policy then in effect.

This policy must be maintained in full force and effect until the expiration of any applicable statute of limitations, but in any event for a period of not less than five (5) years following completion by Contractor of all work and services under this Agreement.

8.30 INTENTIONALLY LEFT BLANK

8.31 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline, or should the Contractor at any time during the Term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any Housing Authority, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the Housing Authority.

8.32 NON-DISCRIMINATION AND AFFIRMATIVE ACTION

8.32.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation in

compliance with all applicable federal and state anti-discrimination laws and regulations.

8.32.2 The Contractor shall certify to, and comply with the provisions of Exhibit D, Contractor's EEO Certification.

8.32.3 The Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation in compliance with all applicable federal and state anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.

8.32.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

8.32.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable federal and state laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

8.32.6 The Contractor shall allow the Housing Authority representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Subparagraph 8.31 when so requested by the Housing Authority.

8.32.7 If the Housing Authority finds that any provisions of this Subparagraph 8.31, have been violated, such violation shall constitute a material breach of this Contract upon which the Housing Authority may terminate or suspend this Contract.

While the Housing Authority reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated federal or state anti-discrimination laws or regulations shall constitute a finding by the Housing Authority that the Contractor has violated the anti-discrimination provisions of this Contract.

8.32.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the Housing Authority shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671, as liquidated damages in lieu of terminating or suspending this Contract.

8.33 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Contract shall not restrict the Housing Authority from acquiring similar, equal, or like goods and/or services from other entities or sources.

8.34 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.35 DISPUTE RESOLUTION PROCEDURE

It is the intent of the parties that all disputes arising under this Contract be resolved expeditiously, amicably, and at the level within each party's organization that is most knowledgeable about the disputed issue. The parties understand and agree that the procedures outlined in this Paragraph are not intended to supplant the routine handling of inquiries and complaints through informal contact with their respective managers. Accordingly, for purposes of the procedures set forth in this paragraph, a "dispute" shall mean any action, dispute, claim, or controversy of any kind, whether in contract or tort, statutory or common law, legal or equitable, now existing or hereafter arising under or in connection with, or in any way pertaining to this Contract.

- 8.35.1** Contractor and Housing Authority agree to act with urgency to mutually resolve any disputes which may arise with respect to this Contract. All such disputes shall be subject to the provisions of this Sub-Paragraph 8.35 (such provisions shall be collectively referred to as the **Dispute Resolution Procedure**). Time is of the essence in the resolution of disputes.
- 8.35.2** Contractor and Housing Authority agree that, the existence and details of a dispute notwithstanding, both parties shall continue without delay their performance hereunder, except for any performance which Housing Authority determines should be delayed as a result of such dispute.
- 8.35.3** If Contractor fails to continue without delay its performance hereunder which Housing Authority, in its sole discretion, determines should not be delayed as a result of such dispute, then any additional costs which may be incurred by Contractor or Housing Authority as a result of Contractor's failure to continue to so perform shall be borne by Contractor, and Contractor shall make no claim whatsoever against Housing Authority for such costs. Contractor shall promptly reimburse Housing Authority for such Housing Authority costs, as determined by Housing Authority, or Housing Authority may deduct all such additional costs from any amounts due to Contractor from Housing Authority.
- 8.35.4** If Housing Authority fails to continue without delay to perform its responsibilities under this Contract which Housing Authority determines should not be delayed as a result of such dispute, then any additional costs incurred by Contractor or Housing Authority as a result of Housing Authority's failure to continue to so perform shall be borne by Housing Authority, and Housing Authority shall make no claim whatsoever against Contractor for such costs. Housing Authority shall promptly reimburse Contractor for all such additional Contractor costs subject to the approval of such costs by Housing Authority.
- 8.35.5** In the event of any dispute between the parties with respect to this Contract, Contractor and Housing Authority shall submit the matter to their respective Project Managers for the purpose of endeavoring to resolve such dispute.

- 8.35.6** In the event that the Project Managers are unable to resolve the dispute within a reasonable time not to exceed thirty (30) days from the date of submission of the dispute to them, then the matter shall be immediately submitted to the parties' respective Project Directors for further consideration and discussion to attempt to resolve the dispute.
- 8.35.7** In the event that the Project Directors are unable to resolve the dispute within a reasonable time not to exceed thirty (30) days from the date of submission of the dispute to them, then the matter shall be immediately submitted to Contractor's executive vice president (or equivalent) and the Executive Director, or designee. These persons shall have thirty (30) days to attempt to resolve the dispute.
- 8.35.8** In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under this Contract and/or its rights and remedies as provided by law.
- 8.35.9** All disputes utilizing this dispute resolution procedure shall be documented in writing by each party and shall state the specifics of each alleged dispute and all actions taken. The parties shall act in good faith to resolve all disputes. At all three (3) levels described in this Sub-Paragraph 8.35, the efforts to resolve a dispute shall be undertaken by conference between the parties' respective representatives, either orally, by face to face meeting or by telephone, or in writing by exchange of correspondence.
- 8.35.10** Notwithstanding any other provision of this Contract, Housing Authority's right to terminate this Contract or to seek injunctive relief to enforce the provisions of Sub-Paragraph 7.7, Confidentiality, shall not be subject to this Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of Housing Authority's rights and shall not be deemed to impair any claims that Housing Authority may have against Contractor or Housing Authority's rights to assert such claims after any such termination or such injunctive relief has been obtained.
- 8.35.11** Contractor shall bring to the attention of the Housing Authority's Project Manager and/or Housing Authority's Project Director any dispute between the Housing Authority

and the Contractor regarding the performance of services as stated in this Contract.

8.36 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees and shall require each Subcontractor to notify its employees that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in the Internal Revenue Service Notice No. 1015.

8.37 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each Subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.38 NOTICES

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits E - Housing Authority's Administration and F, Contractor's Administration. Addresses may be changed by either party giving ten days prior written notice thereof to the other party. The Executive Director, or designee shall have the authority to issue all notices or demands required or permitted by the Housing Authority under this Contract.

8.39 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Notwithstanding the above, the Contractor and the Housing Authority agree that, during the Contract Term and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.40 PUBLIC RECORDS ACT

8.40.1 Any documents submitted by the Contractor; all information obtained in connection with the Housing Authority's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Subparagraph 8.42, Record Retention and Inspection/Audit Settlement of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the Housing Authority. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6255, et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The Housing Authority shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.40.2 In the event the Housing Authority is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary" belonging to Contractor, then Contractor agrees to defend and indemnify the Housing Authority from all costs and expenses, including reasonable attorney's fees, in action or liability relating to such action. Housing Authority authorizes and allows Contractor to have sole control of the defense and/or settlement of any claim; provided, however, any admission and/or settlement must be made only with the prior written consent of the Housing Authority if the admission and/or settlement requires any action on the party of the Housing Authority or impacts its name or reputation.

8.41 PUBLICITY

8.41.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the Housing

Authority shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and
- During the Contract Term, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the Housing Authority without the prior written consent of the Housing Authority's Project Director. The Housing Authority shall not unreasonably withhold written consent.

8.41.2 The Contractor may, without the prior written consent of Housing Authority, indicate in its proposals and sales materials that it has been awarded this Contract with the Housing Authority of Los Angeles, provided that the requirements of this Subparagraph 8.41 shall apply.

8.42 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the Housing Authority, or its authorized representatives, shall, upon advance notice to Contractor, be permitted reasonable access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information shall be kept and maintained by the Contractor and shall be made available to the Housing Authority during the term of this Contract and for a period of five years thereafter unless the Housing Authority's written permission is given to dispose of any such material prior to such time.

8.42.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any federal or state auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy

of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable federal or state law or under this Contract. Subject to applicable law, the Housing Authority shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.42.2 Failure on the part of the Contractor to comply with any of the provisions of this Subparagraph 8.42 shall constitute a material breach of this Contract upon which the Housing Authority may terminate or suspend this Contract.

8.42.3 If, at any time during the Contract Term or within five years after the expiration or termination of this Contract, representatives of the Housing Authority conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the Housing Authority's dollar liability for any such work is less than payments made by the Housing Authority to the Contractor, then the difference shall be either: a) repaid by the Contractor to the Housing Authority by cash payment upon demand, or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the Housing Authority, whether under this Contract or otherwise. If such audit finds that the Housing Authority's dollar liability for such work is more than the payments made by the Housing Authority to the Contractor then the difference shall be paid to the Contractor by the Housing Authority by cash payment, provided that in no event shall the Housing Authority's maximum obligation for this Contract exceed the funds appropriated by the Housing Authority for the purpose of this Contract.

8.42.4 Financial Statements: Beginning one year after the effective date of this Contract and every year thereafter until the expiration of this Contract, the Contractor shall upon the prior written request of the Housing Authority, submit to the Housing Authority a complete set of the then-current financial statements, audited if available, for the most recent 12 month period. In addition, the Housing Authority may request Contractor to submit a statement regarding any pending litigation since Contractor last reported same to the Housing Authority. The Housing Authority reserves the right to request these audited financial statements on a more frequent basis and will so notify Contractor in writing. All financial

statements shall be deemed Confidential Information subject to the Housing Authority's confidentiality obligations set forth in this Contract will be kept confidential.

8.43 RECYCLED BOND PAPER

Consistent with the Board of Commissioners' policy to reduce the amount of solid waste deposited at the Housing Authority landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.44 SUBCONTRACTING

8.44.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance approval of the Housing Authority**. Any attempt by the Contractor to subcontract without the prior consent of the Housing Authority may be deemed a material breach of this Contract. For the avoidance of any doubt, the independent service providers from which Contractor leases space to locate the servers and equipment needed to provide the Yardi Cloud are not subcontractors for purposes of this Contract.

8.44.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the Housing Authority's request:

- A description of the work to be performed by the Subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the Housing Authority.

8.44.3 The Contractor shall be responsible for the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor employees.

8.44.4 The Contractor shall remain fully responsible for all performances required of it under this Contract including those that the Contractor has determined to subcontract, notwithstanding the Housing Authority's approval of the Contractor's proposed subcontract.

8.44.5 The Housing Authority's consent to subcontract shall not waive the Housing Authority's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of this Housing Authority right.

8.44.6 The Housing Authority's Project Manager is authorized to act for and on behalf of the Housing Authority with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the Housing Authority, Contractor shall forward a fully executed subcontract to the Housing Authority for their files.

8.44.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the Housing Authority's consent to subcontract.

8.44.8 The Contractor shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the Housing Authority from each approved Subcontractor. The Contractor shall ensure delivery of all such documents to:

Housing Authority of the
County of Los Angeles
700 W. Main Street
Alhambra, CA 91801

Before any Subcontractor employee may perform any work hereunder.

8.45 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Subparagraph 8.18, Contractor's Warranty of Adherence to the County's Child Support Compliance Program, or if Contractor is located or has its principal place of business outside the state of California, compliance to the Child Support Program in the state where it is domiciled or has its principal place of business

shall constitute default under this Contract. Without limiting the rights and remedies available to the Housing Authority under any other provision of this Contract, failure of the Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which the Housing Authority may terminate this Contract pursuant to Subparagraph 8.46, Termination for Default, and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

8.46 TERMINATION FOR CONVENIENCE

8.46.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the Housing Authority, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.46.2 After receipt of a notice of termination and except as otherwise directed by the Housing Authority, the Contractor shall:

- Stop work under this Contract on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.46.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract shall be maintained by the Contractor in accordance with Subparagraph 8.42, Record Retention and Inspection/Audit Settlement.

8.47 TERMINATION FOR DEFAULT

8.47.1 The Housing Authority may, by written notice to the Contractor, terminate the whole or any part of this Contract if in the judgment of Housing Authority's Project Director:

- Contractor has materially breached this Contract; or

- Contractor materially fails to timely provide and/or materially fails to perform any task, Deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within thirty (30) working days (or such longer period as the Housing Authority may authorize in writing) after receipt of written notice from the Housing Authority specifying such failure.

8.47.2 If Housing Authority desires to terminate pursuant to section 8.47.1 the Housing Authority shall deliver to Contractor a written notice of the material breach. Upon receipt of the written notice from Housing Authority, Contractor will have a reasonable time to cure the breach given the nature of the breach and industry standards for cure of such a breach, but in no case shall the cure period exceed a period of thirty (30) working days from the date of Contractor's receipt of written notice of Housing Authority's intent to terminate pursuant to section 8.47 (except as otherwise agreed by the parties). Termination pursuant to this section 8.47 (Termination for Default) shall be effective upon Housing Authority's delivery of written notice after expiration of the applicable cure period.

8.47.3 In the event that the Housing Authority terminates this Contract in whole or in part as provided in Subparagraph 8.46.1, the Housing Authority may procure, upon such terms and in such manner as the Housing Authority may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the Housing Authority for any and all excess costs incurred by the Housing Authority, as determined by the Housing Authority, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this subparagraph.

8.47.4 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Subparagraph 8.46.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such

causes may include, but are not limited to, acts of God or of the public enemy, acts of the Housing Authority in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this subparagraph, the term "Subcontractor(s)" means Subcontractor(s) at any tier.

8.47.5 If after the Housing Authority has given notice of termination under the provisions of this Subparagraph 8.47, it is determined by the Housing Authority that the Contractor was not in default under the provisions of this Subparagraph 8.47, or that the default was excusable under the provisions of Subparagraph 8.47.6, the rights and obligations of the parties shall be the same as if the notice of 8.47.3 termination had been issued pursuant to Subparagraph 8.46 - Termination for Convenience.

8.47.6 The rights and remedies of the Housing Authority provided in this Subparagraph 8.47 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.48 TERMINATION FOR IMPROPER CONSIDERATION

8.48.1 The Housing Authority may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any Housing Authority officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's

performance pursuant to this Contract. In the event of such termination, the Housing Authority shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.48.2 The Contractor shall immediately report any attempt by a Housing Authority officer or employee to solicit such improper consideration. The report shall be made either to the Housing Authority manager charged with the supervision of the employee or to the Housing Authority Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

8.48.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.49 TERMINATION FOR INSOLVENCY

8.49.1 The Housing Authority may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.49.2 The rights and remedies of the Housing Authority provided in this Subparagraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 SOURCE AND APPROPRIATION OF FUNDS

The Housing Authority's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development (HUD) and, for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1.

In the event this Contract extends into succeeding fiscal years and funds have not been appropriated, this Contract will automatically terminate as of June 30 of the current fiscal year. The Housing Authority will endeavor to notify the Contractor in writing within ten (10) days of receipt of non-appropriation notice.

8.51 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

The Contractor and each County Lobbyist or County Lobbying firm as defined in the County Code Section 2.160.010 retained by the Contractor shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the Housing Authority may in its sole discretion, immediately terminate or suspend this Contract.

8.52 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the Housing Authority shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the Housing Authority's future fiscal years unless and until the Housing Authority's Board of Supervisors appropriates funds for this Contract in the Housing Authority's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The Housing Authority shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.53 EFFECT OF TERMINATION

8.53.1 In the event Housing Authority terminates this Contract in whole or in part as provided hereunder or upon the expiration of the Contract, as applicable, then, unless otherwise specified by Housing Authority in writing: (a) Contractor shall

continue the performance of this Contract to the extent not terminated. (b) Contractor shall cease to perform the Services being terminated on the date and to the extent specified in such notice and provide to Housing Authority all completed Services and Services in progress, in a media reasonably requested by Housing Authority. (c) Housing Authority will pay to Contractor all sums due and payable to Contractor for Services properly performed through the effective date of such expiration or termination (prorated as appropriate). (d) Housing Authority shall cease Use of the Yardi Cloud, Yardi Cloud Services, System Software, and Documentation, (e) Contractor shall return to Housing Authority, on a pro-rata basis, all monies prepaid by Housing Authority, yet unearned by Contractor, if applicable, (f) Contractor shall promptly return to Housing Authority any and all of the Housing Authority's Confidential Information that relates to the portion of the Contract or Services terminated by Housing Authority, including all Housing Authority Data, in a media reasonably agreed to by both parties.

8.53.2 Expiration or termination of this Contract for any reason will not release either party from any liabilities or obligations set forth in this Contract which (i) the parties have expressly agreed in writing will survive any such expiration or termination, or (ii) remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

8.53.3 Contractor understands and agrees that Housing Authority has obligations that it cannot satisfy without use of the System provided to Housing Authority hereunder or an equivalent system, and that a failure to satisfy such obligations could result in irreparable damage to Housing Authority and the entities it serves. Therefore, Contractor agrees that in the event of any expiration or termination of this Contract, Contractor shall reasonably cooperate with Housing Authority in the transition of Housing Authority to a new system, toward the end that there be no interruption of Housing Authority's day to day operations due to the unavailability of the System during such transition. The services provided during the transition period shall be subject to the terms of this Contract and the parties agreement on reasonable compensation to Contractor. The parties agree that this Contract shall be extended through the expiration of the agreed transition period.

8.53.4 For ninety (90) days prior to the expiration date of this Contract, or upon notice of termination of this Contract (**Transition Period**), Contractor shall reasonably assist the Housing Authority in extracting and/or transitioning all Housing Authority Data in the format mutually agreed upon by the parties. The Transition Period may be modified as agreed upon in writing by the parties in a Change Order. In addition, upon the expiration or termination of this Contract, Housing Authority may request Contractor to provide services in the form of Optional Work to assist Housing Authority to transition System operations from Contractor to Housing Authority or Housing Authority's designated third party (**Transition Services**). Upon Housing Authority's request for Transition Services, Housing Authority and Contractor agree to negotiate in good faith the scope of work and the price for such Transition Services.

8.53.5 Contractor shall promptly return to Housing Authority any and all Housing Authority Confidential Information, including Housing Authority Data that relate to that portion of the Contract and Services terminated by Housing Authority.

8.54 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.55 USE OF HOUSING AUTHORITY SEAL

The Housing Authority claims right, title, and interest in and to certain intellectual property, including but not limited to, the current and former Housing Authority seals (Housing Authority Seals). Contractor shall not reproduce, copy, distribute, republish, download, display, post, transmit, or make any other use of any kind whatsoever of the Housing Authority Seals, in any format or by any means whatsoever. At no time shall the Contractor in any manner (i) modify the Housing Authority Seals, or (ii) create derivative works of the Housing Authority Seals. The Contractor shall not in any manner sublicense, transfer or assign its rights, or delegate its duties, with respect to use of the Housing Authority Seals, whether in whole or in part, without the prior written consent of the Housing Authority, in its discretion, and any attempted

sublicense, transfer, assignment or delegation without such consent shall be null and void.

8.56 WAIVER

No waiver by the Housing Authority of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the Housing Authority to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Subparagraph 8.56 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.57 WARRANTY AGAINST CONTINGENT FEES

8.57.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a Housing Authority, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.57.2 For breach of this warranty, the Housing Authority shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover the full amount of such Housing Authority, percentage, brokerage, or contingent fee.

8.58 WARRANTY OF COMPLIANCE WITH HOUSING AUTHORITY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

The Contractor acknowledges that the Housing Authority has established a goal of ensuring that all individuals and businesses that benefit financially from Housing Authority through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon Housing Authority and its taxpayers.

Unless the Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the Contract Term of this Contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

8.59 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 8.58 Warranty of Compliance with the County’s Defaulted Property Tax Reduction Program, shall constitute default under this Contract. Without limiting the rights and remedies available to the Housing Authority under any other provision of this Contract, failure of the Contractor to cure such default within ten days of notice shall be grounds upon which the Housing Authority may terminate this Contract and/or pursue debarment of the Contractor, pursuant to County Code Chapter 2.206.

8.60 TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees information regarding the time off for voting law (Elections Code Section 14000). Not less than ten days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

8.61 LICENSE

8.61.1 License Grant. Subject to the terms and conditions of this Contract, Contractor grants to Housing Authority non-exclusive, non-transferable (except as provided in this Agreement), limited license for Designated Users to: (i) access the Yardi Cloud to Use the System Software and Yardi Cloud Services solely for Business Purposes; and (ii) access the Documentation and other content on Yardi’s Client Central website solely for Business Purposes and subject to the terms of use then-presented on Client Central. For the purposes of Sub-Paragraphs 8.61.1 and 8.61.2, the term “use” as it applies to System Software and the Yardi Cloud Services means authorized access to the licensed software in the Yardi Cloud and use of the System Software and System Software Programs Documentation by Designated Users solely for Business Purposes.

8.61.2 License Restrictions. Housing Authority shall not rent, lease, sell, transfer (by sublicense, assignment, otherwise except as expressly provided for by this Agreement), time share, modify, reproduce, copy, make derivative works from, distribute, publish, use to provide service bureau services, or publicly display the System Software. Additionally, Housing Authority not in any way disassemble, decompile or reverse engineer, nor shall any attempt to do same be undertaken or knowingly permitted by Housing Authority, except to the extent permitted by applicable law or authorized by Contractor. Housing Authority shall not remove, modify or obscure any copyright, trademark or other proprietary rights notice that appear on, or during the use of, the System Software. Housing Authority may: (i) only exercise the license granted in section 8.61.1 (License Grant) through its Designated Users, (ii) not recreate the System Software or its objects without Contractor's prior written consent, (iii) not permit any person or entity to breach the restrictions in this Sub-Paragraph 8.61.2, and (iv) only use the System Software for Business Purposes.

8.61.3 Third Party Software. The Contractor shall not use any Third Party Software in the System without the prior written approval of the Housing Authority to be granted or withheld in its sole discretion. In the event Contractor provides any Third Party Software to Housing Authority in connection with this Contract, Contractor shall obtain, at Contractor's sole cost and expense, a fully paid-up, royalty-free, worldwide, perpetual, non-exclusive license for Housing Authority and Housing Authority's agents and assigns, to use the Third Party Software for Housing Authority's business purposes and activities. For the avoidance of doubt, Contractor shall support and maintain, at no additional charge to Housing Authority, all Third Party Software to the same extent as the System Software.

8.61.4 Source Code Escrow. Contractor has deposited a copy of the Source Material for the System Software with [REDACTED], a software escrow agent (**Escrow Agent**), located at [REDACTED], [REDACTED] (**Escrow**) pursuant to a written escrow agreement (**Escrow Agreement**). There shall be no charge to Housing Authority for the maintenance of the Escrow for the purpose of this Contract. A copy of the Escrow Agreement shall be incorporated by reference into this Contract as Exhibit

O, Yardi SAAS Subscription Agreement. Contractor shall continually update the Source Material by promptly depositing in the Escrow each new Update of the System Software. Contractor's duty to update the Source Material shall continue through the Contact Term. The Source Material will be held in the Escrow. The events upon which Housing Authority shall have access to the Source Material shall include (collectively the **Release Conditions**): (a) the insolvency of Contractor; (b) the making of a general assignment by Contractor for the benefit of its creditors or a filing of a voluntary or involuntary petition in bankruptcy by or against Contractor that is not dismissed within thirty (30) days of the filing thereof; (c) as set forth in Sub-Paragraph 8.61.5, Bankruptcy And Liquidation; (d) in the event Contractor ceases to maintain or support the System Software for reasons other than Housing Authority's failure to pay for, or election not to receive, Contractor's Maintenance and Support Services, and no other qualified entity has assumed the obligation to maintain and support the System Software; (e) termination of this Contract for breach by Contractor; and (f) any other release conditions that may be specified under the Escrow Agreement. If a Release Condition occurs, Housing Authority may hire Contractor personnel to assist Housing Authority with using and understanding the Source Material without being subject to Sub-Paragraph 8.39, Prohibition Against Inducement or Persuasion. The parties acknowledge that as a result of the passage of time alone, the deposited Source Material may be susceptible to loss of quality (**Natural Degeneration**). For the purpose of reducing the risk of Natural Degeneration, Contractor shall deposit with the Escrow Agent a new copy of all deposited Source Material at least once every year. In the event the Source Material or any part of it is destroyed or corrupted, upon Housing Authority's request, Contractor shall provide a replacement copy of the Source Material. Upon the occurrence of a Release Condition Housing Authority will, upon payment of the duplication cost and other handling charges of the Escrow Agent, be entitled to obtain a copy of such Source Material from the Escrow Agent. Housing Authority shall be entitled to use the Source Material as needed to remedy the event of release and mitigate any damages arising from such event. Such use will include, but is not limited to, Housing Authority's right to perform its own support and maintenance, alter or modify the Source Material, and/or obtain the benefits sought under this Contract. The Escrow Agent's responsibility in the event of a Release

Condition will be to cause a copy of the Source Material, in the form as delivered by Contractor, to be promptly delivered to Housing Authority at the appropriate time. Nothing herein relieves Contractor of its obligation to provide Support Services as required under this Contract. Housing Authority acknowledges that any possession of the Source Material referred to herein is subject to the confidentiality and proprietary provisions of access to any third party, except to service, maintain, support, repair, operate, modify, or otherwise facilitate and continue the use and operation of the installed System Software as provided herein. Should use of the Source Material as provided in this Sub-paragraph 8.56.4 involve the use or practice of any patent, copyright, trade secret, trademark, or other proprietary information in which Contractor has an interest, Contractor, on behalf of itself and its assignees and successors, agree not to assert a claim for patent, copyright, trade secret, trademark, or other proprietary information infringement against Housing Authority, provided use of the System Software and Source Material is in accordance with this Contract. Regardless of whether one of the Release Conditions occurs, Housing Authority shall have the right, at Housing Authority's sole expense, to require the Escrow Agent to verify the relevance, completeness, currency, accuracy, and functionality of the Source Material by, among other things, compiling the Source Material and performing test runs for comparison with the capabilities of the System Software. In the event such testing demonstrates the Source Material does not correspond to the System Software, Contractor shall reimburse Housing Authority for all costs and fees incurred in said verification, compilation, and testing and immediately deposit the correct Source Material with the Escrow Agent.

8.61.5 Bankruptcy and Liquidation. In the event that Contractor shall: (1) make an assignment for the benefit of creditors or petition or apply to any tribunal for the appointment of a custodian, receiver, or trustee for all or a substantial part of its assets; (2) commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction whether now or hereafter in effect; (3) have had any such petition or application filed or any such proceeding commenced against it in which an order for relief is entered or an adjudication or appointment is made, and which remains undismissed for a period of sixty (60) days or more; (4) take

any corporate action indicating its consent to, approval of, or acquiescence in any such petition, application, proceeding, or order for relief or the appointment of a custodian, receiver, or trustee for all or substantial part of its assets; or (5) permit any such custodianship, receivership, or trusteeship to continue undischarged for a period of sixty (60) days or more, causing Contractor or any third party, including, without limitation, a trustee in bankruptcy, to be empowered under state or federal law to reject this Contract or any agreement supplementary hereto, Housing Authority shall have the following rights: (i) in the event of a rejection of this Contract or any agreement supplementary hereto, Housing Authority shall be permitted to retain and use any back-up or archival copies of the System Software under this Contract for the purpose of enabling it to mitigate damages caused to Housing Authority because of the rejection of this Contract; (ii) in the event of a rejection of this Contract or any agreement supplementary hereto, Housing Authority may elect to retain its rights under this Contract or any agreement supplementary hereto as provided in Section 365(n) of the Bankruptcy Code. Upon written request of Housing Authority to, as applicable, Contractor or the bankruptcy trustee or receiver, Contractor or such bankruptcy trustee or receiver shall not interfere with the rights of Housing Authority as Housing Authority as provided in this Contract or in any agreement supplementary hereto to obtain the Source Material(s) from the bankruptcy trustee or from a third-party escrow agent and shall, if requested, cause a copy of such Source Material(s) to be available to Housing Authority in accordance with the Escrow Agreement; and (iii) in the event of a rejection of this Contract or any agreement supplementary hereto, Housing Authority may retain its rights under this Contract or any agreement supplementary hereto as provided in Section 365(n) of the Bankruptcy Code without prejudice to any of its rights under Section 503(b) of the Bankruptcy Code.

8.62 INTELLECTUAL PROPERTY OWNERSHIP

8.62.1 Ownership of Housing Authority Data. All Housing Authority Data provided or made accessible by Housing Authority to Contractor is and shall remain the property of Housing Authority. Upon termination or expiration of the Contract for any reason, or upon Housing Authority's written request at any time, the Contractor shall provide Housing Authority or otherwise make available for Housing Authority's

download or retrieval, at no additional cost and no later than fifteen (15) calendar days after the termination, expiration or the Housing Authority's request, any Housing Authority Data (including any Housing Authority Data or information stored as part of the System Software) or other proprietary data belonging to the Housing Authority stored within the System. Such data will be provided to the Housing Authority in a mutually agreed upon format. At the Housing Authority's option, the Contractor shall destroy all originals and copies of all such data, and other related information or documents.

Ownership of Contractor Intellectual Property & System Software. Housing Authority agrees that Contractor is and shall remain the sole and exclusive owner of all right, title and interest in and to the System Software, Licensed Software, Additional Software, Portals, Interfaces, Deliverables, Yardi Cloud, Yardi Cloud Services, Optional Work, Documentation, Housing System, System, and Upgrades including all intellectual property rights in the foregoing. The only rights Housing Authority obtains in and to the System Software, Licensed Software, Additional Software, Portals, Interfaces, Deliverables, Yardi Cloud, Yardi Cloud Services, Optional Work, Documentation, Housing System, System, and Upgrades are the licenses granted to Housing Authority in Sub-Paragraph 8.60.1 of this Agreement.

8.62.2 Ownership of Work Product. INTENTIONALLY OMITTED.

8.63 DAMAGE LIMITATIONS

8.63.1 DAMAGE WAIVER. EXCEPT AS PROVIDED IN SUB-PARAGRAPH 8.63.3 (DAMAGE WAIVER EXCEPTIONS), REGARDLESS OF ANY OTHER PROVISION IN THIS AGREEMENT, AND TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, EACH PARTY DISCLAIMS ALL OBLIGATIONS AND LIABILITIES FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE AND CONSEQUENTIAL DAMAGES, ATTORNEYS' AND EXPERTS' FEES, AND COURT COSTS (EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF THESE DAMAGES), ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT.

8.63.2 LIABILITY LIMIT. EXCEPT AS PROVIDED IN SUB-PARAGRAPH 8.63.4 (LIABILITY LIMIT EXCEPTIONS), IN ADDITION TO THE LIMITATIONS OTHERWISE SET FORTH IN THIS AGREEMENT, AND TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, EACH PARTY AGREES THAT IN THE EVENT OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR CONNECTED WITH THIS AGREEMENT, EACH PARTY'S MAXIMUM LIABILITY TO THE OTHER PARTY, REGARDLESS OF THE AMOUNT OF LOSS SUCH PARTY MAY HAVE SUFFERED, SHALL NOT EXCEED THE FEES PAID BY HOUSING AUTHORITY TO CONTRACTOR PURSUANT TO THIS AGREEMENT WITHIN THE YEAR PRIOR TO THE EVENT GIVING RISE TO THE LIABILITY.

8.63.3 DAMAGE WAIVER EXCEPTIONS. THE DAMAGE WAIVER SET FORTH IN SUB-PARAGRAPH 8.63.1 (DAMAGE WAIVER), SHALL NOT APPLY TO (i) HOUSING AUTHORITY'S BREACH OF SUB-PARAGRAPHS 8.61.1 (LICENSE GRANT) OR 8.61.2 (LICENSE RESTRICTIONS), (ii) A PARTY'S BREACH OF SUB-PARAGRAPH 7.7 (CONFIDENTIALITY), OR (iii) DAMAGES RESULTING FROM A PARTY'S GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT.

8.63.4 LIABILITY LIMIT EXCEPTIONS. THE LIABILITY LIMIT SET FORTH IN SUB-PARAGRAPH 8.63.2 (LIABILITY LIMIT) SHALL NOT APPLY TO (i) HOUSING AUTHORITY'S OBLIGATION TO PAY UNDISPUTED FEES IN ACCORD WITH THIS AGREEMENT, (ii) HOUSING AUTHORITY'S BREACH OF SUB-PARAGRAPHS 8.61.1 (LICENSE GRANT) OR 8.61.2 (LICENSE RESTRICTIONS), (iii) A PARTY'S BREACH OF SUB-PARAGRAPH 7.7 (CONFIDENTIALITY), OR (iv) DAMAGES RESULTING FROM A PARTY'S GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT.

8.64 DATA DESTRUCTION

The Contractor(s) and vendor(s) that have maintained, processed, or stored the Housing Authority Data and/or information, implied or

expressed have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled Guidelines for Media Sanitization.

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the Housing Authority, or external to the Housing Authority's boundaries. The Housing Authority must receive within ten (10) business days, a signed document from the Contractor(s) and vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

The Contractor or vendor shall certify that any Housing Authority data stored on purchased, leased, or rented electronic storage equipment and electronic devices including, but not limited to, printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special Publication SP-800-88, Guidelines for Media Sanitization. The Contractor or vendor shall provide the Housing Authority with a written certification within ten business days of removal of any electronic storage equipment and devices that validates that any and all Housing Authority Data was destroyed and is unusable, unreadable, and/or undecipherable.

8.65 TESTING

Housing Authority shall have 240 days commencing upon the effective date of this Contract (the "Testing Period") to test the System Software, Yardi Cloud and Yardi Cloud Services. At any time during the Testing Period, Housing Authority may elect to cease Use of the System Software, Yardi Cloud and Yardi Cloud Services and cancel this Contract, in which event Contractor will refund to Housing Authority all amounts paid by Housing Authority to Contractor pursuant to this Contract less reasonable amounts [determined by reference to the fees/rates indicated in Exhibit B (Pricing Schedule)] for initial set-up, implementation, training and support of the System Software, Yardi Cloud and Yardi Cloud Services provided prior to Housing Authority's notice of cancellation pursuant to this section 8.65 (Testing).

8.66 Housing Authority Data.

8.66.1 Housing Authority Data Storage. Subject to force majeure events, Contractor agrees to store Housing Authority Data on a database server in the Yardi Cloud.

8.66.2 Limited Liability for Unauthorized Client Data Access. Contractor agrees to use: (i) firewalls and other technology generally used in the trade to prevent unauthorized 3rd party access to its computer systems storing Housing Authority Data; and (ii) available encryption technology generally used in the trade to prevent unauthorized 3rd party access to Housing Authority Data transmissions. Notwithstanding the foregoing or anything to the contrary in this Contract, Contractor shall not be liable to Housing Authority in the event that: (A) its use of firewalls and other technology generally used in the trade fails to prevent unauthorized third party access to Housing Authority Data; or (B) its use of encryption technology generally used in the trade fails to prevent unauthorized third party access to Housing Authority Data transmissions. Nothing in this Sub-Paragraph 8.66.2 (Limited Liability for Unauthorized Client Data Access) shall constitute a representation or warranty by Contractor that Housing Authority Data storage or transmission will be inaccessible to unauthorized third parties. Contractor shall notify Housing Authority of any unauthorized 3rd party access to Housing Authority Data or other security breach as soon as practicable after Contractor becomes aware of it, and Contractor agrees to use commercially reasonable efforts to work with Housing Authority in the event of any unauthorized third party access to Housing Authority Data or Housing Authority Data transmissions.

8.67 DATA ENCRYPTION

Housing Authority Data will be encrypted during transmission and, Housing Authority may elect for Housing Authority Data to be encrypted at rest; provided that, for encryption of data at rest, Housing Authority acknowledges and agrees that the System Software currently provide Housing Authority the ability to encrypt data at rest in select secure fields (Columnar Encryption). Contractor's obligation to encrypt data at rest is conditioned on

Housing Authority electing, and continuing to maintain its election, to use this feature of the System Software.

8.68 INTEGRATION/INTERFACING

Contractor shall be responsible for developing and delivering the Interfaces, identified in Exhibit A - Statement of Work as part of the System Software. If the System Software is to be integrated/interfaced with other software, equipment, and/or systems provided by Contractor or at the direction of Contractor, including any customized enhancements, the System Software shall be deemed to have been accepted at the completion of the Testing Period provided for in section 8.65. Contractor shall not obtain any ownership interest in any other systems merely because they were interfaced, integrated, or used with any System Software.

8.69 COMMUNICATION SYSTEMS AND ACCESS TO INFORMATION

During the term of this Contract, Contractor may receive access to Housing Authority's software, computers, equipment, and electronic communications systems (in this Paragraph 8.69, Housing Authority systems), including but not limited to voicemail, email, customer databases, and internet and intranet systems. Such Housing Authority systems are intended for legitimate business use related to Housing Authority's business. Contractor acknowledges that Contractor does not have any expectation of privacy as between Contractor and Housing Authority in the use of or access to Housing Authority systems and that all communications made with such Housing Authority systems or equipment by or on behalf of Contractor are subject to Housing Authority's scrutiny, use, and disclosure, in Housing Authority's discretion. Housing Authority reserves the right, for business purposes and activities, to monitor, review, audit, intercept, access, archive, and/or disclose materials sent over, received by or from, or stored in any of its electronic Housing Authority systems. This includes, without limitation, email communications sent by users across the internet and intranet from and to any domain name owned or operated by Housing Authority. This also includes, without limitation, any electronic communication system that has been used to access any of Housing Authority systems. Contractor further agrees that Contractor will use all appropriate security, such as, for example, encryption and passwords (Contractor must provide passwords and keys to Housing Authority), to protect Housing Authority Confidential Information from unauthorized disclosure (internally or externally) and that the use of such security does not give rise to any privacy rights in the

communication as between Contractor and Housing Authority. Housing Authority reserves the right to override any security passwords to obtain access to voicemail, email, computer (and software or other applications) and/or computer disks on Housing Authority systems. Contractor also acknowledges that Housing Authority reserves the right, for any business purposes and activities, to search all work areas (e.g., offices, cubicles, desks, drawers, cabinets, computers, computer disks, and files) and all personal items brought onto Housing Authority property or used to access Housing Authority Confidential Information or Housing Authority systems.

8.70 CONTINUOUS SYSTEM SOFTWARE SUPPORT

If Contractor assigns this Contract, is acquired, or is otherwise controlled by another individual or entity (collectively referred to as a **Successor Event**), such individual or entity shall provide Maintenance and Support Services in accordance with this Contract for at least five (5) years following the Successor Event, unless otherwise agreed to in writing by Housing Authority. After such five (5) years or, if subsequent to the Successor Event, the System Software is not supported to at least the same level that Contractor supported the System Software prior to the Successor Event, because, for example, Contractor's assignee chooses to support other products with similar functions or does not otherwise properly staff the support for the System Software, Housing Authority, at its sole option, may elect to transfer the license of the System Software, without cost or penalty, to another similar product (**Replacement Product**) within Contractor's assignee's or successor's product offering. For purposes of this Paragraph 8.66, Continuous System Software Support, the term "controlled" shall mean the legal right to elect a majority of the directors of a corporation or similar officers of any other entity or to determine an entity's general management policies through contract or otherwise. The assignee or successor, by taking benefit (including acceptance of any payment under this Contract) ratifies this Contract. All terms and conditions of this Contract shall continue in full force and effect for the Replacement Product. In addition, the following terms and conditions shall apply if Housing Authority elects to transfer this license to a Replacement Product: (a) Any prepaid maintenance and support shall transfer in full force and effect for the balance of the Replacement Product's maintenance and support term (or equivalent service) at no additional cost. If the prepaid moneys are greater than the Replacement Product's maintenance and support fee for the same term, the credit balance will be applied to future

maintenance and support fees or returned to Housing Authority, at its option; (b) Any and all software offered separately and needed to fulfill the original System Software's level of functionality shall be supplied by Contractor's assignee or successor without additional cost or penalty and shall not affect the calculation of any maintenance and support fees; (c) Any services required for implementation of the Replacement Product shall be provided by Contractor's assignee or successor without additional cost or penalty; (d) Contractor shall provide to Housing Authority reasonable training for purposes of learning the Replacement Product at no cost to Housing Authority; (e) All license terms and conditions shall remain as granted herein with no additional fees imposed on Housing Authority; and (f) The definition of System Software shall then mean and include the Replacement Product.

8.71 TIME IS OF THE ESSENCE

Time is of the essence with regard to Contractor's performance of the Services.

8.72 NO OFFSHORE WORK

All Services shall be performed and rendered within the continental United States. In particular, Contractor warrants that it will not transmit or make available any Housing Authority Confidential Information, Housing Authority's intellectual property or any Housing Authority property to any entity or individual outside the continental United States.

8.73 COUNTERPARTS

This Contract may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties as of the effective date at such time as all the signatories hereto have signed a counterpart of this Contract.

8.74 SEVERABILITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.75 CONTRACT DRAFTED BY ALL PARTIES

This Contract is the result of arm's length negotiations between the parties. Consequently, each party has had the opportunity to receive advice from independent counsel of its own choosing. This Contract shall be construed to have been drafted by all parties such that any ambiguities in this Contract shall not be construed against either party.

8.76 NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of this Contract, the Contractor and Housing Authority do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Contract, except that this provision shall not be construed to diminish the Contractor's indemnification obligations hereunder.

8.77 SURVIVAL

In addition to any provisions of this Contract which specifically state that they will survive the termination or expiration of this Contract and any rights and obligations under this Contract which by their nature should survive, the following Paragraphs and Sub-paragraphs shall survive any termination or expiration of this Contract:

Paragraph 5.5	(No Payment for Services Provided Following Expiration/Termination of Contract)
Paragraph 7.7	(Confidentiality)
Paragraph 8.7	(Compliance with Applicable Law)
Paragraph 8.25	(Governing Law, Jurisdiction, and Venue)
Paragraph 8.27	(Indemnification)
Paragraph 8.28	(General Provisions for All Insurance Coverage)
Paragraph 8.29	(Insurance Coverage)
Paragraph 8.35	(Dispute Resolution Procedure)
Paragraph 8.42	(Record Retention and Inspection/Audit Settlement)
Paragraph 8.53	(Effect of Termination)
Paragraph 8.61	(License)
Paragraph 8.62	(Intellectual Property Ownership)

- Paragraph 8.63.1 (Damage Waiver)
- Paragraph 8.63.2 (Liability Limit)
- Paragraph 8.76 (No Third Party Beneficiaries)
- Paragraph 8.77 (Survival)

9.0 UNIQUE TERMS AND CONDITIONS (each if applicable)

9.1 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM

- 9.1.1 This Contract is subject to the provisions of the Housing Authority's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.
- 9.1.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.
- 9.1.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a Housing Authority official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.
- 9.1.4 If the Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:
 - 1. Pay to the Housing Authority any difference between the contract amount and what the Housing Authority's costs would have been if the contract had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and Internal Services Department of this information prior to responding to a solicitation or accepting a contract award.

9.2 TRANSITIONAL JOB OPPORTUNITIES PREFERENCE PROGRAM

- 9.2.1 This Contract is subject to the provisions of the Housing Authority's ordinance entitles Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.
- 9.2.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.
- 9.2.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a Housing Authority official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.
- 9.2.4 If the Contractor has obtained the Housing Authority certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, shall:

1. Pay to the Housing Authority any difference between the contract amount and what the Housing Authority's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles Housing Authority Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting a contract award.

9.3 DISABLED VETERAN BUSINESS ENTERPRISE PREFERENCE PROGRAM

- 9.3.1 This Contract is subject to the provisions of the Housing Authority's ordinance entitled Disabled Veteran Business Enterprise Preference Program, as codified in Chapter 2.211 of the Los Angeles County Code.
- 9.3.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Disabled Veteran Business Enterprise.
- 9.3.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a Housing Authority official or employee for the purpose of influencing the certification or denial of certification of any entity as a Disabled Veteran Business Enterprise.
- 9.3.4 If the Contractor has obtained certification as a Disabled Veteran Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have

known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the Housing Authority any difference between the contract amount and what the Housing Authority's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and ISD of this information prior to responding to a solicitation or accepting a contract award.

9.4 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

If a Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Contract. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of Contractor's staff pursuant to this paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the Housing Authority of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Mayor of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR: Yardi Systems, Inc.

By _____
Name

Title

HOUSING AUTHORITY OF LOS
ANGELES

By _____
Monique King-Viehland, Executive Director

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By _____
Senior Deputy County Counsel