

**PROPERTY MANAGEMENT SERVICES AGREEMENT BETWEEN CITY OF  
UPLAND AND RPM COMPANY**

**THIS PROPERTY MANAGEMENT AGREEMENT** (“Agreement”), is made and entered into as of March 10, 2025, by and between the City of Upland, a California general law city and municipal corporation (“City”), and Ray, Douglas, Ann & Patrick, Inc., a California corporation doing business as RPM Company (the “Consultant”). City and Consultant are sometimes referred to herein individually as a “Party” and collectively as the “Parties”.

**RECITALS**

A. **WHEREAS**, City is the owner of those certain real properties, consisting of buildings and other improvements commonly known as: Sunset Ridge Apartments, Village Apartments, Magnolia Colony Apartments, and Sycamore Apartments (the “Properties”), as listed in Attachment “A” to this Agreement; and

B. **WHEREAS**, Consultant and Upland Redevelopment Agency entered into an original Property Management Agreement dated November 23, 1998, effective January 1, 1999, to manage, operate and maintain properties, and have amended the Agreement on various occasions as the properties transferred from the Redevelopment Successor Agency to the City; and

C. **WHEREAS**, the parties desire to update the Agreement of December 8, 2014, attached as Exhibit “A” under the same or similar terms; and

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth below, City and Consultant agree as follows:

1. **Recitals**. The recitals set forth above are true and correct and are incorporated by reference as though fully set forth herein.

2. **Appointment**. City hereby hires and appoints Consultant as the exclusive management services provider and leasing agent for the Properties described in Exhibit “B” (the “Project”), and Consultant hereby accepts such appointment subject to the terms and conditions set forth in this Agreement.

3. **Management Plan**. The Consultant agrees to provide to the City an updated comprehensive Management Plan for the Project within sixty (60) calendar days of the execution of this Agreement, which provides a detailed description of the policies and procedures to be followed in the management of the Project (the "Management Plan"). This Management Plan shall serve as a detailed Scope of Services for the Agreement. The current Management Plan is attached as Exhibit “B.” Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner, and is experienced in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest

professional standards” shall mean those standards recognized by one or more first-class firms performing similar work under similar circumstances. The updated Management Plan shall be approved by the City in writing prior to its use. The City and the Consultant will comply with all applicable provisions of the Management Plan regardless of whether specific reference is made thereto in any particular provision of this Agreement. The Consultant will continually review the Management Plan, for the purpose of keeping the City advised of necessary or desirable changes to either or both of these documents. This document is incorporated herein and is a part of this contract by this reference.

4. **On-Site Management Office.** City shall provide adequate space on the premises for a management office. City shall pay from the operation budget all expenses related to such office, including, but not limited to, furnishings, equipment, postage, office supplies, electricity, telephone, answering service, and security monitoring services, if any. The City shall retain ownership of all furnishings and equipment purchased from the operating budget.

5. **Property Information.** The City will provide the Consultant with immediate access to the Project, to the extent of City's rights, together with information related to the Project in the possession of the City. As soon as possible, but not more than 30 days after the commencement of the Agreement, the City will furnish the Consultant with a complete set of building plans and specifications, if available. Also, the City will provide copies of all current manufacturers’ preventive maintenance schedules, guarantees and warranties pertinent to the fixtures, mechanical equipment, and appliances used in the operation of the subject property, if any. Consultant will update and safeguard all property information as necessary during the term of this Agreement.

With the aid of this property information and inspection by competent personnel, the Consultant will become thoroughly familiar with the character, location, construction, layout, plan, and operation of the Project, and especially of the electrical, heating, plumbing, air conditioning and ventilation systems, and all other mechanical equipment.

6. **Marketing, Tenant Selection and Relations.** Consultant shall implement any affirmative marketing plan and tenant selection criteria for the Properties supplied to it by City. Consultant shall develop and maintain good relations with Tenants in the Properties. Consultant shall receive and respond to all Tenant complaints and shall attempt in good faith to resolve and settle such complaints subject to the parameters set forth in this Agreement. Consultant shall also coordinate the moving in and moving out of Tenants from the Properties.

7. **Leasing/Rentals.** The Consultant will offer for lease/rent and will lease/rent the dwelling units in the Project. The following provisions will apply:

7.1 The Consultant will be responsible for screening and selection of existing and prospective residents. The Consultant will follow the resident selection policy described in the Management Plan and will show the premises to prospective tenants.

7.2 The Consultant will prepare and verify eligibility certifications and re-certifications in accordance with the guidelines established by the City.

7.3 The Consultant shall ensure that leasing/rental activities comply with any applicable federal, state, and local law.

8. **Leasing/Rental Occupancy.** The Consultant will carry out all leasing/rental placement activities necessary to offer housing opportunities to all applicants in accordance with the Management Plan.

9. **Security Deposits.** The Consultant will collect, deposit, and disburse security deposits in accordance with the terms of each resident's Lease/Rental Agreement. The amount of each security deposit will be specified in the Management Plan, which was previously approved by the City. The collection and disbursement of security deposits will be governed by applicable state and local laws. All resident security deposits will be deposited in the general operating account for the Project, and at month end the net amount (of security deposits made less deposits returned to departing tenants) will be transferred to a bank account separate from all other accounts and funds of the Consultant and/or the City. Said account will be established at an agreed upon bank. This account will be carried in the Consultant's name of the Project and designated on record as City's "Security Deposit Account" and in addition, the Development Services Director and the City Treasurer shall be included as signers of this account. The balance of the security deposit account can be used to pay general operating expenses, however, security deposits received must be documented and accounted for at all times. The Consultant must comply with any applicable state and local laws concerning interest payments on security deposits, security deposit amounts required of tenants, and return of security deposits to tenants upon termination of tenancy.

10. **Collection of Rents and Other Receipts.** The Consultant will collect when due all the rents, charges and other amounts receivable on the City's account in connection with the management and operation of the Properties. Such receipts (except for resident's security deposits, which will be handled as specified in Section 9 above) will be deposited in an account, separate from all other accounts and funds, at an agreed upon bank. This account will be carried in the name of the Project and designated on record as City's "General Operation Account" and in addition, the Development Services Director and the Finance Manager shall be included signers of this account.

11. **Enforcement of Lease/Rental Agreements.** The Consultant will ensure full compliance by each resident with the terms of the Rental Agreement. The Consultant will make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by the Consultant. Involuntary termination of tenancies should be consistent with the pertinent procedures prescribed in the Management Plan, and shall be consistent with federal, state and local law. The Consultant may lawfully terminate any tenancy when, in the Consultant's judgment and consistent with existing law, sufficient cause (including, but not limited to, nonpayment of rent) for such termination occurs under the terms of the resident's Lease/Rental Agreement. For this purpose, the Consultant is authorized to consult with legal counsel to bring actions for unlawful detainer, and to execute notices to vacate and judicial pleadings incident to such actions; provided, however, that the Consultant obtains written approval of the selected legal counsel by City prior to use, keeps the City informed of such

actions, and follows such instructions as the City may prescribe for the conduct of any such action. Attorneys' fees and other necessary costs incurred in connection with such actions will be paid out of the General Operating Account as property expenses.

12. **Maintenance and Repairs.** The Consultant will maintain the property in good repair in accordance with the Management Plan, local building and health codes, and in a condition at all times acceptable to the City. This will include, but not be limited to, cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair works as may be necessary, subject to any limitations imposed by the City in addition to those contained herein. Consultant is responsible for collaboration and oversight of major capital expenditures or rehabilitation activities for the project carried out and supervised by City, and Consultant agrees to cooperate as necessary in such activities. On occasion if Consultant agrees to be responsible for a major capital expenditure, rehabilitation activity, or maintenance activity, the Consultant will be compensated, on an agreed upon amount for their efforts.

12.1 The Consultant, in coordination with the City to ensure that procurement complies with state and local law, will complete preventative maintenance activities in the most cost effective and efficient manner as possible.

12.2 The Consultant, in coordination with the City to ensure that procurement complies with state and local law, will contract with qualified independent contractors for the maintenance and repair of roofs, air-conditioning and heating systems and for extraordinary repairs beyond the capability of regular maintenance employees.

12.3 The Consultant will systematically receive and investigate all service requests from residents, take such action thereon as may be justified and will keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Serious complaints will be reported to the City after investigation.

12.4 The Consultant, in coordination with the City to ensure that procurement complies with state and local law, is authorized to purchase all materials, equipment, tools, appliances, supplies, and services necessary for proper maintenance and repair of the projects. The City shall retain ownership of all said materials, equipment, tools, appliances and supplies.

12.5 Notwithstanding any of the forgoing provisions, the prior approval of the City shall be required for any expenditure which exceeds Five Thousand Dollars (\$5,000.00) in any one instance for labor, materials, and/or otherwise in connection with the maintenance and repair of the properties. This limitation is not applicable for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to person or property. In the latter event, the Consultant will inform the City of the facts as promptly as possible to coordinate an effective response.

13. **Utilities and Services.** In accordance with the Management Plan, the Consultant will make arrangement for water, electricity, gas, sewage and trash disposal, vermin extermination, laundry facilities, and telephone and cable services. Subject to the City's prior approval, the Consultant shall make such contracts as may be necessary to secure such utilities and services on behalf of the City.

14. **Employees.** The Management Plan prescribes the number, qualifications and duties of the personnel to be regularly employed in the direct management of the Properties. All such personnel will be employees of the Contractor and will be hired, paid, supervised, and discharged through the Contractor. The Contractor ensures that their employment policies include a statement to provide a drug-free workplace or similar substance abuse policy. Additionally, all employees of Contractor must meet all qualifications and licensing requirements applicable to completing the assigned tasks. It is understood that all direct costs associated with employees working "on-site" will be borne by the City to include their salary and benefits, to include Social Security taxes, employee taxes, medical insurance and Worker's Compensation and Housing allowance (if applicable). Such reimbursement will be paid out of the General Operating Account and will be treated as a project expense.

15. **Disbursement from General Operating Account.** From the funds collected and deposited by the Consultant in the General Operating Account pursuant to Section 10 above, the Consultant will make the following disbursements promptly when payable:

- (a) Reimbursements to the Consultant for compensation payable to the employees specified in Section 14 above, and for the taxes and assessments payable to local, state and federal governments in connection with the employment of such personnel;
- (b) All sums otherwise due and payable by the City as expenses of the property authorized to be incurred by the Contractor under the terms of this Agreement, including compensation payable to the Contractor, for its service hereunder; and
- (c) Payments to the Trustee for the beneficiaries of the City's source of real estate financing (i.e. the holder of City's tax exempt bonds). Such payments are set forth within the Official Statement and Indenture of Trust with respect to City's tax-exempt bond issue.

15.1 Except for disbursements mentioned in Section 15 above and transfers to the Security Deposit Account as set forth in Section 9 above, funds will be disbursed or transferred from the General Operation Account only as the City may from time to time direct in writing.

15.2 In the event the balance in the General Operation Account is insufficient to pay disbursements due and payable under Section 13 above, the Contractor will inform the City of that fact and the City will then remit to the Contractor sufficient funds to cover the delinquency. In no event will the Contractor be required to use its own funds to pay such disbursements, and any other disbursements concerning the operation of the properties.

16. **Budgets.** Annual operating budgets for the Properties will be submitted by the Consultant and approved by the City. Except as permitted under Section 15 above, annual

disbursements for each type of operation expenses itemized in the budget will not exceed the amount authorized by the approved budget. The Consultant will prepare a recommended operating budget for each fiscal year during the term of this Agreement, to be submitted by February 1<sup>st</sup> of each year for the following fiscal year. The City will promptly inform the Consultant of any changes incorporated in the approved budget, and the Consultant will keep the City informed of any anticipated deviation from the receipts or disbursements stated in the approved budget.

17. **Records and Reports.** In addition to any requirements specified in the Management Plan or other provisions of this Agreement, the Consultant will have the following responsibilities with respect to accounts and reports:

(a) The Consultant will establish and maintain, on a modified accrual basis, a comprehensive system of records, books and accounts in a manner satisfactory to the City. All records, books and accounts will be subject to examination at reasonable hours by any authorized representative of the City.

(b) With respect to each fiscal year ending during the term of this Agreement, including the separate reporting period of July 1 through June 30, the Consultant will be subject to an annual audit conducted by a firm of the City's choice. The Consultant agrees to make available all applicable records to the City's auditors for annual review. The report will be prepared in accordance with generally accepted accounting practices and submitted to the City within sixty (60) days after the end of the fiscal year. The report submitted by the City's auditors will also be subject to the City's single audit at the City's discretion. The preparer's services will be paid for out of the General Operating Account as an expense of the property.

(c) The Consultant will furnish, within a reasonable period of time, information as may be requested by the City from time to time with respect to the financial, physical or operational condition of the Properties.

(d) By the fifteenth (15th) day of each month, the Consultant will furnish the City with an itemized list of all delinquent accounts, as of the tenth (10th) day of the current month.

(e) By the fifteenth (15th) day of each month, the Consultant will furnish the City with a statement of receipts and disbursements for the previous month, a schedule of accounts receivable and payable and reconciled bank statements for all accounts maintained by the Consultant on behalf of the City, reflecting disbursements and deposit amounts as of the twenty-fifth of the previous month. A copy of general ledger account transactions and monthly utility consumption

records will also be provided as part of the financial reports. Prior to commencement, City will furnish Consultant with available information to establish general ledger accounts on all items (such as depreciation) that City wants reflected on the balance sheet.

18. **Fidelity Bond.** The Consultant will place the Properties on a master Fidelity Bond, which provides blanket coverage equal to two (2) months gross rent potential. The bond will provide coverage for all principals and agents of the Consultant and all people who participate directly or indirectly in the management of the Properties and its assets, accounts and records. The premiums for such a bond will be paid from the Consultant's management fee. Specifically, coverage for the Consultant, including all applicable people in the Consultant's Central Office, will be paid from the management fees. Said Fidelity Bond shall be issued by a company acceptable to the City.

19. **Bids, Discounts, Rebates or Commissions.** The City and Consultant agree to obtain contract materials, supplies and services at the lowest possible cost and on the most advantageous terms to the Properties and to secure and credit to the Properties discounts, rebates and commissions obtainable with respect to purchases, service contracts and all other transactions on behalf of the Properties. The City and Consultant agree that all goods and services purchased from individuals or companies having a conflict-of-interest with the City or Consultant shall be purchased at costs not in excess of those that would be incurred in making arms-length purchases on the open market. All vendor accounts shall be opened in the name of the project.

The Consultant shall solicit competitive written cost quotes (i.e. bids) from at least three contractors or suppliers for any purchase or work item that the Consultant estimates will cost \$5,000 or more for any purchase of on-going supply or service arrangement or capital projects which is estimated to exceed \$25,000 per year. The Consultant agrees to accept the bid which represents the lowest price, taking into consideration the bidder's reputation for quality of workmanship or materials and timely performance, and the time frame within which the services or goods are needed. The Consultant must make every reasonable effort to assure that the City is obtaining services, supplies and purchases at the lowest possible cost. The Consultant must make and retain a written record of any verbal estimates obtained. Copies of all required bids and documentation of all other written or verbal cost comparisons made by the Consultant shall be made part of the property's records and shall be retained for three (3) years from the date the work was completed. The City shall pre-approve disbursements of over \$5,000 and on-going supply or service arrangement or capital projects in excess of \$25,000. This documentation shall be subject to inspection by the City or its designee and the Consultant agrees to submit documentation upon request.

20. **Resident Services Program.** The Consultant will be responsible to the City for carrying out any social services program described in the Management Plan.

21. **Compliance with Government Orders.** The Consultant will take such action as it may be necessary to comply promptly with any and all governmental orders or other

requirements affecting the Properties, whether imposed by federal, state, county, or municipal authority, subject, however, to the limitations stated in Section 12 with respect to repairs. Nevertheless, the Consultant shall take no such action so long as the City is contesting, or has affirmed its intention to contest, any such order or requirement. The Consultant will notify the City in writing of all notices such as orders or other requirements as soon as possible from the time of the receipt. The City will notify Consultant, in writing, of all such notices received.

22. **Consultant's Compensation.** The Consultant will receive compensation for services provided under this Agreement through monthly fees, paid from the General Operating Account and classified as property expenses. The Consultant's fee will be calculated based on Total Property Income. These fees will be due on the first day of each month, covering the services rendered in the previous month, throughout the duration of this Agreement..

22.1 The Consultant shall be paid a monthly fee of 5.75%.

Notwithstanding the above, at the end of fiscal year, City may assess the Consultant's performance to determine whether additional compensation is warranted, based on the Consultant's effectiveness in maximizing the net project revenues from the Apartments.

22.2 Consultant's employees who work off-site or in the Consultant's office will be paid directly by the Consultant out of the management fee.

22.3 Except as otherwise provided in this Agreement, all off-site bookkeeping, clerical and other management overhead expenses (including but not limited to, costs of office supplies and equipment, postage, transportation for managerial personnel and telephone services) will be borne by the Consultant out of its own funds and will not be treated as property expenses, except for the postage and overnight express courier expenses from Consultant's principal executive office with respect to the transmittal of vendor payments.

23. **Term.** The term of this Agreement shall commence on January 1, 2025. The term shall expire five (5) years following the Commencement Date, unless earlier terminated pursuant to Section 23 of this Agreement (the "Term") subject, however, to the following conditions:

(a) At the lapse of the initial term, the City may, in its sole discretion, offer an additional five-year extension of this Agreement subject to the same or similar terms and conditions as are herein contained. At the end of the five-year period, the City may elect to offer Consultant a new agreement on the same or similar terms as presented in this Agreement.

(b) This Agreement may be terminated by the mutual consent of the Principal Parties as of the end of any calendar month, provided that at least ninety (90) days advance written notice thereof is given to consenting party. This Agreement may also be terminated by the City for unsatisfactory performance by the Consultant during the first 90 days of this Agreement. This Agreement may also be terminated for cause by either party, after sufficient time to cure is rendered,

provided that at least ninety (90) days advance written notice thereof is given to the other.

(c) In the event that a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event that either makes an assignment for the benefit of creditors to take advantage of any insolvency act, the other party may terminate the agreement as provided for in "b" above.

(d) Upon termination, the Consultant will submit to the City any financial statements required. All Property's cash trust accounts, investments, equipment and records will be turned over to the City within thirty (30) days of the date the Consultant is terminated.

24. **City's Indemnification.** Notwithstanding any provision of this Agreement or any obligation of Consultant hereunder, it is understood and agreed:

(a) That the City has assumed and will maintain its responsibility and obligation through the term of this agreement for the finances and the financial stability of the Properties; and

(b) That the Consultant shall have no obligation, responsibility or liability to fund authorized property costs, expenses, or accounts other than from those funds generated by the property itself or provide to the Properties or to the Consultant by the City.

In accordance with the foregoing, the City agrees that the Consultant shall have the right at all times to secure payment of its compensation, as provided for under Section 22 of this Agreement, from the General Operating Account, immediately when such compensation is due and without regard to other property obligations or expenses conditioned on the Consultant having satisfactorily discharged all duties and responsibilities under this Agreement. Moreover, the City hereby indemnifies the Consultant and agrees to hold it harmless with respect to Property costs, expenses, accounts, liabilities and obligations during the term of the Agreement and further agrees to guarantee to the Consultant the payment of its compensation during the term of this Agreement to the extent that the Property's Operating and Maintenance Account is insufficiently funded for this purpose. Failure of the City at any time to abide by and to fulfill the forgoing shall be breach of this Agreement entitling the Consultant to obtain from the City, upon demand, full payment of all compensation owed to the Consultant through the date of such breach.

25. **Release of News Information.** No news release, including photographs, public announcements or confirmation of same, or any part of the subject matter of this Agreement or any phase of any program hereunder shall be made without prior written approval of City's Development Services Director or his or her designee.

26. **Confidentiality of Reports.** Consultant shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder and

that City designates as confidential. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of City.

27. **City Support.** City shall provide Consultant with any plans, publications, reports, statistics, records or other data or information pertinent to the services to be provided hereunder which are reasonably available to City.

28. **Independent Contractor.** Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives, or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of the City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venture or a member of any joint enterprise with Consultant.

29. **Conflict of Interest.** Consultant represents, warrants and agrees that it does not presently have, nor will it acquire during the term of this Agreement, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venture or shareholder (other than as a shareholder holding one percent [1%] or less interest in publicly traded companies) or affiliate with any business or business entity from which it purchases any goods or services pursuant to this Agreement or that has entered into any contract, subcontract or arrangement with City. Upon execution of this Agreement and during the term, as appropriate, Consultant shall upon written request, disclose in writing to City any vendor from which it purchases goods or services pursuant to this Agreement or other contractual or employment arrangement from which it receives compensation. Consultant agrees not to accept any employment during term of this Agreement by any other person, business or corporation which employment will or may likely develop a conflict of interest between the City of Upland's interests and the interests of third parties.

30. **Prohibition Against Subcontracting or Assignment.** The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of the City. Transfers restricted hereunder shall include the transfer to any person or group of people acting in concert of more than twenty-five percent (25%) of the present ownership and/or control of the Consultant, taking all transfers into account on a cumulative basis. In the event of such an unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of the City.

31. **Status of Consultant.** Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

32. **Indemnification.** Consultant agrees to indemnify, defend (upon request of City) and save harmless City, its elected and appointed officials, officers, agents and employees from and against any liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury or property damage arising from or connected with Consultant's operations, or its services, acts and/or omissions hereunder, including any worker's compensation suit, liability or expense, arising from or connected with services performed by or on behalf of Consultant by any person to this Agreement.

33. **Insurance.** Without limiting Consultant's indemnification of City, Consultant shall procure and maintain at all times during the life of this Agreement, a program of insurance against claims for injuries to person, death, or damages to property which may arise from or in connection with performance of the work hereunder by Consultant, its officers, representatives, agents, or employees. Consultant acknowledges that Section 1860 and 3700 of the California Labor Code requires all employers to be insured against liability for worker's compensation or undertaking self-insurance in accordance with the provisions of that Code Section. Consultant shall formally acknowledge this requirement by signing the attached certificate Attachment "B" prior to commencing work hereunder. Further, prior to commencement of work pursuant to this Agreement, Consultant, shall obtain all insurance required hereunder from a company or companies acceptable to City's Risk Manager. For the purposes of the Insurance Section of this Agreement, City's Risk Manager shall mean City's Human Resources Manager. Said program of insurance shall be maintained by Consultant in the form and subject to the conditions set forth in Attachment "C" hereto.

Failure on the part of Consultant to procure or maintain required insurance shall constitute a material breach of this Agreement upon which City may immediately terminate this Agreement.

34. **Non-Discrimination.** In the fulfillment of the program established under this Agreement, either as to employment, upgrading, demotion, transfer, recruitment or recruitment adverting, layoff, or termination, rates of pay or other terms of compensation, selection for training, including apprenticeship or participation in the program or the receiving of any benefits under the program, Consultant agrees not to discriminate nor to allow any subcontractor to discriminate on the basis of race, color, creed, religion, natural origin, ancestry, sex, age, marital status, or physical disability.

35. **Compliance with Laws.** The parties agree to be bound by applicable federal, state and local laws, regulations and directives as they pertain to the performance of this Agreement.

36. **Severability.** In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair, or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

37. **Interpretation.** No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Agreement is to be construed as if it were drafted by both parties hereto.

38. **Disputes – Attorney’s Fees.** If either party to this Agreement is required to initiate or defend litigation in any way connected with this Agreement, the prevailing party in such litigation, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees.

39. **Waiver.** No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

40. **Notices.** Any and all notices or other communications given under this Agreement shall be deemed to have been properly given when delivered, if personally delivered, or three (3) days after the date mailed if sent certified or registered mail, return receipt requested and postage prepaid, and addressed to the Parties at the following addresses.

To Consultant: RPM Company  
1420 S. Mills, Suite M  
Lodi, CA 95242

To City: City of Upland  
460 N. Euclid Avenue  
Upland, CA 91786  
Attn: Robert Dalquest, Director of Development Services

Any notices delivered by either Party in any manner other than those described above shall be deemed properly given when received. Either Party may change its address for the giving of notices under this Agreement by delivering to the other Party ten (10) days' prior written notice of such change of address.

41. **Emergency Notices.** Either Party may give the other notice of emergency situations orally (personally, by telephone or otherwise) or by telecopy, telex, telegram or other method, provided that the Party giving any emergency notice as provided above in this Section 39 shall confirm the same by written notice in accordance with Section 39 above.

42. **Complete Agreement.** This Agreement, including any specified attachments, constitutes the entire agreement between City and Contractor with respect to the management and operation of the Properties and supersedes and replaces any and all previous management agreements entered into or/and negotiated between City and Consultant relating to the Properties covered by this Agreement. No change to this Agreement shall be valid unless made by supplemental written agreement executed and approved by City and Consultant. Except as otherwise provided herein, any and all amendments, additions, or deletions to this Agreement shall be null and void unless approved by City and Consultant in writing. Each party to this Agreement hereby acknowledges and agrees that the other party has made no warranties, representations, covenants, or agreements, express or implied, to such party, other than those expressly set forth herein, and that each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants, or agreements, express or implied, to such party, other than those expressly set forth herein.

43. **Applicable Law and Partial Invalidity.** The execution, interpretation, and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of California. If any part of this Agreement shall be declared invalid or unenforceable, either Party shall have the option to terminate this Agreement by notice to the other Party.

44. **Agreement Binding on Successors and Assigns.** This Agreement shall be binding upon the Parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns.

45. **Counterparts; Facsimile Signatures.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Facsimile and electronically transmitted signatures shall be considered original signatures.


**IN WITNESS WHEREOF**, the Parties hereto have caused this instrument to be duly executed by their duly authorized officers as of the day and year first above written,

SIGNATURES  
TO  
PROPERTY MANAGEMENT SERVICES AGREEMENT

**CITY OF UPLAND**

**RPM Company**  
**[If Corporation, TWO signatures, President OR Vice President AND Secretary OR Treasurer]**

By:   
Michael Blay  
City Manager

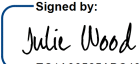
By:   
Donnie Garibaldi

Its: President / Chief Executive Officer

Printed Name: Donnie Garibaldi

Attested by:

By:   
Keri Johnson  
City Clerk

By:   
Julie Wood

Its: Human Resources & Portfolio Manager

Printed Name: Julie Wood

Approved as to form:

By:   
Best Best & Krieger LLP  
City Attorney



**ATTACHMENT "A"**

**ADDRESSES AND ASSESSOR'S PARCEL NUMBERS**

**I. Sunset Ridge Apartments (formerly Americana Apartments)**

Addresses: 531, 539, 579, 581, 597, 611, 619, 659 and 663 East  
Thirteenth Street, Upland, CA

APN: 1045-392-43

**II. Village Apartments (formerly Armstrong Apartments)**

Addresses: 129, 130, 137, 138, 147, 148, 151, 152, 163, 164, 167, 168, 179, 180,  
183, 184, 195 & 196 Armstrong Way, Upland, CA

APNs: 1007-571-35 through 52

**III. Magnolia Colony Apartments**

Addresses: 431, 485, 503, 557, 571, 615, 625, 650, 653, 660, 663 and 689  
Diamond Court, Upland, CA

230, 233 and 275 Vallejo Way, Upland, CA

288 San Antonio Avenue, 649, 659, and 717 West 9<sup>th</sup> Street

APNs: 1046-351-07, 08, 09, 11, 12, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 28, 31,  
33, 39

**IV. Sycamore Apartments**

Addresses: 906 Sycamore Court


APN: 1047-192-12

**ATTACHMENT "B"**

**WORKERS COMPENSATION LAW COMPLIANCE CERTIFICATE**

This shall certify that the Managing Agent is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers compensation or undertake self insurance in accordance with the provision of that Code Section, and will comply with such provisions before commencing the performance of work under the Agreement for Property Management Services with the Successor Agency of the City of Upland.

**MANAGING AGENT**

By:  \_\_\_\_\_

Its: President / CEO

Date: 2/17/25

## ATTACHMENT "C"

### INSURANCE REQUIREMENTS

Consultant agrees to provide insurance according to the requirements set forth here. Consultant will maintain the following coverage on behalf of City, its official, employees and agents.

**Commercial General Liability Insurance** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury shall be provided. Policy limits shall be no less than three million dollars per occurrence for all coverages and general aggregate. General liability insurance will not be limited to coverage for the vicarious liability or the supervisory role of the additional insureds. Coverage for the additional insureds shall apply to the fullest extent permitted by law. The City of Upland, its elected and appointed officials, officers, employees and agents shall be added as additional insureds using Insurance Services Office additional insured endorsement form CG 20 10 11 85 on the Consultants general liability policy.

**Business Auto Coverage** shall be written on Insurance Services Office Business Auto Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage. Limits shall be no less than one million dollars per accident. This policy shall be scheduled as underlying insurance to any umbrella policy as applicable. If Consultant owns no autos, a non-owner auto endorsement to the General Liability policy described above is acceptable.

**Workers' Compensation/Employer's Liability** shall be written on a policy form providing workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars per accident or disease. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects Owner, the City of Upland, its elected and appointed officials, officers, employees and agents.

**General conditions pertaining to provision of insurance coverage by Consultant.** Consultant and City agree to the following provisions regarding insurance provided by Consultant.

1. Consultant agrees to provide insurance in accordance with the requirements set forth here. If Consultant uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, Consultant agrees to amend, supplement or endorse the existing coverage to do so. In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, City has the right but not duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant. In the alternative, City may immediately terminate this Agreement.

2. The coverage required here will be renewed annually by Consultant as long as Consultant continues to provide any services under this or any other contract or agreement with the City. Consultant agrees to maintain this coverage after the term of this Agreement so long as such coverage is reasonably available.
3. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant waives its right of subrogation against City.
4. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its elected and appointed officials, officers, employees, and agents.
5. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
6. Unless otherwise approved by City, the insurance provided pursuant to these requirements shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of A:VII. Self-insurance will not be considered to comply with these insurance specifications.
7. Any "self-insured retention" must be declared and approved by City. City reserves the right to require the self-insured retention to be eliminated or replaced by a deductible. Self-funding, policy fronting or other mechanisms to avoid risk transfer are not acceptable. If Consultant has such a program, Consultant must fully disclose such program to City.
8. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement has been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
9. Consultant agrees to provide evidence of the insurance required herein, satisfactory to City consisting of: a) certificate(s) of insurance evidencing all of the coverages required and, b) an additional insured endorsement to Consultant's general liability policy using as one of the following ISO ongoing operations Forms: CG 20 10 or CG 20 26 or CG 20 33 (not allowed from subcontractors), or CG 20 38; **and** one of the following ISO completed operations Forms: CG 20 37, CG 20 39 (not allowed from subcontractors), or CG 20 40. Consultant agrees, upon request by City to provide complete, certified copies of any policies required by this section, within 10 days of such request.
10. Certificates(s) are to reflect that the insurer will provide 30 days notice to Owner of any cancellation of coverage. Managing Agent agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will

“endeavor” (as opposed to being required) to comply with the requirements of the certificate.

11. Managing Agent agrees to require all subcontractors or other parties hired for this project to provide the same insurance as required of Managing Agent unless otherwise agreed to by Owner. The subcontractor’s general liability insurance shall add as additional insureds all parties to this Agreement using Insurance Services Office form CG 20 10 11 85. Managing Agent agrees to obtain certificates evidencing such coverage and make reasonable efforts to ensure that such coverage is provided as required here.
12. Managing Agent agrees that upon request, all agreements with subcontractors or others with whom Managing Agent enters into contracts with on behalf of Owner, will be submitted to Owner for review. Failure of Owner to request copies of such agreements will not impose any liability on Owner, or its employees.
13. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.
14. Managing Agent agrees to provide immediate notice to Owner of any claim or loss against Managing Agent arising out of the work performed under this Agreement. Owner assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve Owner.
15. The insurance requirements set forth in this Section are intended to be separate and distinct from any other provision in this Agreement and are intended to be interpreted as such.
16. The requirement in this Section supersedes all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provision of this Section.
17. For the purpose of insurance coverage only, This Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

**EXHIBIT "A"**

**PROPERTY MANAGEMENT SERVICES AGREEMENT BY AND BETWEEN CITY  
OF UPLAND AND RPM COMPANY, DECEMBER 8, 2014**

## **EXHIBIT "B"** **CURRENT MANAGEMENT PLAN**

### **Property Management Plan for [Company Name]**

**Overview:** This Property Management Plan outlines the strategies and processes for the effective management of 296 residential units. The plan focuses on property maintenance, tenant relations, leasing, and financial management, ensuring efficient and cost-effective operations while enhancing tenant satisfaction and property value.

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### **1. Property Maintenance & Repairs**

**Objective:**

To ensure the properties are maintained to a high standard, minimizing downtime and ensuring tenant satisfaction.

**Key Areas of Focus:**

- **Inspections:**  
Inspections will be completed periodically in compliance with all applicable laws, including but not limited to those related to preventative maintenance, service request, emergency and good cause.
- **Preventative Maintenance:**  
Develop a schedule for regular maintenance tasks (e.g., cleaning HVAC filters, inspecting fire alarms, servicing plumbing) to prevent costly repairs.
- **Emergency Repairs:**  
24/7 emergency repair hotline for tenants to report urgent issues (e.g., plumbing leaks, power outages).
- **Vendor Management:**  
Establish relationships with trusted, licensed contractors for regular maintenance and emergency repairs. Maintain a list of preferred vendors for specific needs (e.g., electricians, plumbers, landscapers).
- **Tenant Communication:**  
Notify tenants in advance of scheduled maintenance and repairs to minimize disruption.

**Action Steps:**

- Create a preventive maintenance schedule for key systems.
  - Implement an online portal for tenants to request non-emergency repairs.
  - Keep detailed records of all repairs and inspections.
-

## 2. Tenant Relations & Communication

### Objective:

To foster positive relationships with tenants, ensuring high occupancy rates and low turnover.

### Key Areas of Focus:

- **Tenant Screening:**  
Comprehensive tenant screening process, including background checks, credit checks, and rental history verification.
- **Move-In/Move-Out Procedures:**  
Clear guidelines for move-in and move-out processes, including property walkthroughs, deposit handling, and documentation of unit condition.
- **Tenant Support:**  
Provide responsive customer service via phone, email, and an online portal for maintenance requests and inquiries.
- **Community Engagement:**  
Organize occasional tenant events to build a sense of community and improve retention.
- **Conflict Resolution:**  
Develop a protocol for addressing tenant complaints or conflicts, emphasizing prompt resolution and fairness.

### Action Steps:

- Use of a comprehensive lease agreement and its addendums will outline all policies, procedures, and expectations for both parties, ensuring clear understanding and compliance with the terms of the lease.
- Set up an online tenant portal for easy communication and requests.
- Regularly survey tenants to gauge satisfaction and address concerns.

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## 3. Leasing & Marketing

### Objective:

To ensure maximum occupancy and revenue through effective leasing strategies and marketing efforts.

### Key Areas of Focus:

- **Market Research:**  
Regularly assess local rental market trends to ensure competitive pricing.
- **Advertising:**  
Utilize online platforms (e.g., Zillow, Apartments.com) and social media to advertise available units.

- **Touring and Leasing:**  
Schedule showings and provide prospective tenants with detailed information on available units.
- **Lease Agreements:**  
Ensure all lease agreements are comprehensive, legally compliant, and tailored to the property.

**Action Steps:**

- Set up automated reminders for lease renewals and lease terminations.
  - Develop a standard marketing plan for each available unit (photos, descriptions, etc.).
  - Provide incentives for referrals or long-term leases.
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## 4. Financial Management

**Objective:**

To ensure financial health and sustainability through sound budgeting, accounting, and reporting practices.

**Key Areas of Focus:**

- **Rent Collection:**  
Set up online payment options and a clear rent collection schedule. Provide tenants with multiple payment options (e.g., bank transfer, credit card).
- **Budgeting & Forecasting:**  
Develop annual budgets for each property, including maintenance, repairs, insurance, taxes, and operating costs.
- **Cash Flow Management:**  
Regularly monitor cash flow, ensuring sufficient funds are available for operations and capital expenditures.
- **Financial Reporting:**  
Provide detailed monthly financial reports to property owners, highlighting revenue, expenses, and occupancy rates.
- **Owner Distributions:**  
Ensure timely and accurate distribution of rental income to property owners.

**Action Steps:**

- Use accounting software (e.g., QuickBooks, AppFolio) for streamlined financial management.
- Schedule monthly or quarterly meetings with property owners to discuss financial performance.
- Create a reserve fund for unexpected expenses and major repairs.

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## 5. Legal Compliance & Risk Management

### Objective:

To ensure full compliance with California tenant-landlord laws, local ordinances, and federal regulations, while minimizing legal risks and liabilities.

### Key Areas of Focus:

- **Legal Compliance:**  
Ensure that all leases, rental agreements, and tenant interactions comply with California's landlord-tenant laws, include but not limited to fair housing laws, rent control ordinances (where applicable), security deposit regulations, and habitability standards. Stay up-to-date with any changes in state and regulations.
- **Insurance:**  
Maintain comprehensive property insurance, including landlord liability coverage and ensure it aligns with California requirements for coverage of rental properties.
- **Risk Management:**  
Implement risk mitigation strategies, such as proper signage, security measures, and regular fire safety inspections.

### Action Steps:

- Regularly review and update lease agreements to ensure compliance with any new or updated California landlord-tenant laws, including rent control, eviction protections, and habitability standards.
- Conduct annual insurance reviews to ensure coverage meets California's legal requirements and protects against potential liabilities.
- Provide tenants with clear, updated emergency evacuation plans, contact information, and compliance with California's required notices.

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## 6. Reporting & Analytics

### Objective:

To provide property owners with regular updates and insights into the performance of their investments.

### Key Areas of Focus:

- **Occupancy & Vacancy Rates:**  
Provide monthly reports on occupancy rates, average days vacancy, tenant turnover and trends in leasing activity.

- **Maintenance Costs:**  
Track maintenance and repair expenses. identify cost-effective solutions, and report on opportunities to reduce spending while maintaining property standards.000
- **Revenue & Expense Tracking:**  
Monitor rental income, operating expenses, and capital improvements to ensure alignment with the property’s financial objectives and overall profitability.

**Action Steps:**

- Provide quarterly reports covering financial results, and anticipated maintenance needs.
  - Develop a system to track and assess the return on investment (ROI) for capital improvements, ensuring it is reflected in budgets and profit and loss statements. This system will consider income, regular and capital expenses, new operating income (NOI) occupancy rate, vacancy loss, and tenant turnover. These financial metrics will help inform future budgeting and investment decisions.
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## 7. Technology Integration

**Objective:**

To leverage technology to streamline operations, improve efficiency, and enhance the tenant experience.

**Key Areas of Focus:**

- **Property Management Software:**  
Utilize property management software (e.g., Buildium, AppFolio) to streamline tasks such as rent collection, maintenance tracking, and tenant communication.
- **Online Payment Systems:**  
Set up secure, user-friendly online portals for rent payments and maintenance requests.
- **Automation:**  
Automate routine tasks like lease renewals, rent reminders, and maintenance requests to reduce administrative workload.

**Action Steps:**

- Invest in a comprehensive property management platform to centralize tasks.
  - Encourage tenants to use the online portal for ease of communication and payments.
  - Regularly review and update software to ensure it aligns with the company’s needs.
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## Conclusion

This Property Management Plan provides a framework for effectively managing 296 residential units. By focusing on maintenance, tenant relations, leasing, financial management, and legal compliance, the plan ensures efficient operations and maximized property value. Regular evaluations and adjustments to this plan will ensure the company can adapt to evolving market conditions and continue providing exceptional service to tenants and property owners alike.