ACOM POLICY 448, ATTACHMENT D, AHCCCS [~~RBHA~~ CONTRACTED RBHA ~~OR~~ NAME~~AME~~] HOUSING ACQUISITION AND/OR, RENOVATION OR NEW CONSTRUCTION OPERATING AND FUNDING AGREEMENT

~~AHCCCS HOUSING ACQUISITION and/or, REHABILITATIONRENOVATION, OPERATING AND FUNDING AGREEMENT~~1

THIS AGREEMENT ("Agreement"), dated **__(Date)__, 20__~~14~~ (the "Effective Date")**, is between **(~~T~~/RBHA Contractor name)** ("Administrator") for the ~~T/~~RBHA Contractor, and **__(Housing Contractor)__**, an Arizona nonprofit corporation ("Contractor"). This Agreement is entered into in light of the following facts:

RECITALS:

A. Administrator is the ~~Tribal/~~Regional Behavioral Health Administration~~gency~~ ("~~T/~~RBHA") Contractor for **____(County)____County, Arizona**;

B. Administrator provides a broad range of managed care to persons determined to have a~~the~~ Serious~~ly~~ Mental~~ly~~ Illness ("SMI") and other ~~Arizona Health Care Cost Containment System (AHCCCS) eligible~~ persons served by the RBHA based on available funding, including arranging for housing;

C. Contractor would like to participate in Administrator's managed care program by providing housing for persons determined to have SMI and/or other AHCCCS eligible persons; Please designate: _____

D. Contractor is **Acquiring and/or renovating (specify: is the contractor both acquiring and renovating; acquiring only, renovating only, building newly constructed properties)**~~acquiring~~ certain real property in **_____(County)_____,** County, Arizona, more particularly described on Exhibit "A" attached hereto, together with all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, and any other rights or privileges appurtenant to such real property, including, but not limited to, groundwater and surface water rights, air rights and development rights (collectively, "Property"); and

E. Administrator desires to fund certain monies to Contractor for the **__(~~Acquisition and/or Rehabilitation~~Specify: is the contractor both acquiring and/or renovating, acquiring only or renovating only or building newly constructed properties)___** and operation of the Property, subject to, and upon the terms and conditions hereinafter set forth, to assist Contractor in the purchase and enable Contractor to participate in the housing program in **__(County)__**County;

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1 Changes are a result of Arizona Laws 2015, Chapter 19, Section 9 (SB 1480) enacts that from and after June 30, 2016, the provision of behavioral health services under DBHS in the Department of Health Services is transferred to and shall be administered by the AHCCCS.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants set forth in this Agreement, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. In addition to any term defined within this Agreement, the following shall have the specific defined terms under this Agreement:

~~"ADHS" means the Arizona Department of Health Services, Division of Behavioral Health Services~~;

"ADOH" means the Arizona Department of Housing;

"AHCCCS~~A~~" means the Arizona Health Care Cost Containment System~~ Administration as defined by A.R.S. Title 36, Chapter 29~~;

"Administrator" means the ~~Tribal/~~Regional Behavioral Health Authority (~~T/~~RBHA) Contractor for **____(County)___** County, Arizona, or the entity providing ~~T/~~RHBA Contractor services within **_(County)__** County, Arizona, or in the event there is none, then AHCCCS~~DHS~~;

"Administrator/AHCCCS~~DHS~~ Contract" means the existing and any future agreement between Administrator and AHCCCS~~DHS~~ to provide ~~T/~~RHBA Contractor Services within **(County)__** County, Arizona;

"Auditor General" means the Auditor General of the State of Arizona;

"Contractor" means a non-profit Arizona corporation in good standing, whose mission includes providing affordable housing and contracts with the Administrator for this purpose

"Covered Person" shall mean an individual who is entitled to receive Housing Services and Housing Assistance under the Administrator/AHCCCS~~DHS~~ Contract;

"Deed Restriction" means that certain Declaration of Covenants, Conditions, and Restrictions, a copy of which is attached hereto as Exhibit "B" and incorporated herein by reference, executed by Contractor and recorded against the Property in the **__(County)__** County Recorder's Office, creating a series of enforceable restrictions against the use of the Property and granting rights of enforcement of the terms of the restrictions to AHCCCS and/or ADOH~~, ADHS and AHCCCSA;~~

"Eligible Person" shall mean an individual who needs or is at risk of needing AHCCCS~~DHS~~ Services and who is entitled to receive Housing Services and Housing Assistance under the Administrator/AHCCCS~~DHS~~ Contract. An Eligible Person may be one of the following:

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(a) Non-Title XIX Eligible Person means an individual who needs or may be at risk of needing services, but does not meet Federal and State requirements for Title XIX eligibility, or who meets the Federal and State requirements for Title XXI eligibility but needs or may be at risk of needing services in excess of the Title XXI benefits package;

(b) Title XIX Eligible Person means an individual who meets Federal and State requirements for Title XIX eligibility.

(c) All other AHCCCS eligible persons as approved by Administrator/AHCCCS contract based on available funding.

"Enrolled Person" shall mean a Title XXI or Title XIX or non-Title XIX Eligible Person recorded in the AHCCCS~~DHS~~ ~~Client Information System~~ ~~HEA Plus and PMMIS~~ System as specified by ~~the~~ AHCCCS~~DHS~~ and entitled to receive Housing Services and Housing Assistance under the Administrator/AHCCCS~~DHS~~ Contract;

"Expenses" means all Administrator-approved costs and expenses which are to be advanced by Administrator to Contractor;

"Housing Assistance Payments" means the ~~entire~~monthly rental amount under a Rental Agreement on a Housing Unit, based upon a referral from or the request of Administrator, less the Rent payable by the Covered Person;

~~"Housing Plan" shall mean the court-approved ADHS document entitled *Strategic Plan for Housing;*~~

"Housing Services" shall mean the Housing Assistance which a Covered Person is eligible to receive as provided in the Administrator/AHCCCS~~DHS~~ Contract, which services are administered and in accordance with standards established by the State of Arizona, Administrator and HUD and pursuant to applicable state and federal law;

"Housing Acquisition Services" means Contractor's acquisition of the Property for the benefit of Covered Persons entitled to receive Housing Services and Housing Assistance under the Administrator/AHCCCS~~DHS~~ Contract, in conformance with AHCCCS~~DHS~~ Minimum Subcontract provisions, HUD Housing Quality Standards ("HQS"), the Arizona Residential Landlord and Tenant Act, A.R.S. §33-1301 *et seq.*, the Arizona Mobile Home Residential Landlord and Tenant Act, A.R.S. §33-1401 *et seq.*;

"Housing Unit" means all or a portion of the Property procured by the Contractor for the benefit, use and occupancy of a Covered Person;

"HQS" means Housing Quality Standards established by HUD;

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"HUD" means the United States Department of Housing and Urban Development;

"ISP" means Individual Service Plan for Covered Persons;

"Rent" means the sums, if any, payable by Covered Persons to Contractor under a Rental Agreement (which shall not exceed thirty percent (30%) of the Covered Persons' adjusted gross income);

"Rental Agreement" means a rental agreement between the Contractor and a Covered Person whereunder the Covered Person is given the use and occupancy of a Housing Unit which is procured by the Contractor; and

"Serious~~ly~~ Mental~~ly~~ Illness" or "SMI" shall mean those adult persons determined to have ~~with~~ a serious mental illness~~disorder who meet diagnostic requirements~~ as set forth by ~~the~~ AHCCCS~~DHS~~ and whose emotional or behavioral functioning is so impaired as to interfere with their capacity to remain in the community without supportive treatment.

2. Agreement to Fund and Buy. This Agreement constitutes a binding agreement by Administrator to fund, and Contractor to acquire and/or~~,~~ renovate~~habilitate~~ or build new construction and operate the Property upon the terms and conditions set forth in this Agreement. This Agreement, including the Exhibits ~~attached hereto~~, constitutes the entire agreement between the parties regarding the acquisition, renovati~~o~~i~~nhabilitation~~, new construction and operation of the Property. Any terms or conditions in any other writings between the parties and any other prior or contemporaneous arrangements or understandings between the parties are superseded hereby. No agreements, statements or promises about the subject matter hereof are binding or valid unless they are contained herein.

3. Funding Amount. The amount Administrator shall provide toward the **__(Specify which applies: Acquisition and/or Renovation or new construction ~~ihabilitation~~)___** of the Property is **$_____** (the "Funding Amount"). (Separate and record total of funds received for Acquisition and renovation if both are provided along with final combined total of funding amount)

4 Purchase Price. The total purchase price (the "Purchase Price") for the Property shall be **$_____**. **(This includes any funds provided by the Contractor or other collaborators on the project add each amount separately by source and then total)** .

5. Term. The term of this Agreement shall be for a period of ~~twenty-five (25)~~ ____ **(# of years per AHCCCS Attachment C, -Declaration of Covenants, Conditions and Restrictions (CC&R), Requirement Table)** years commencing from the date hereof.

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6. Contractor's Representations and Warranties. Contractor hereby represents to Administrator, with the express understanding that Administrator is relying on the representations and warranties contained herein, that:

(i) No Conflict. The execution and delivery of this Agreement and any other document required herein and the consummation of the transactions contemplated in this Agreement will not result in any violation of, or default under, any term or provision of any agreement, instrument, mortgage, loan agreement, or similar document to which Contractor is a party or by which Contractor is bound;

(ii) No Litigation. There is no complaint, litigation, investigation or proceeding pending or, to the knowledge of Contractor, contemplated or threatened against Contractor or the Property which would impair or adversely affect in any material way Contractor's ability to perform its obligations under this Agreement or under any contract, instrument or document related hereto;

(iii) No Bankruptcy. There are no attachments, levies, executions, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Contractor or filed by Contractor, or to Contractor's knowledge, pending in any current judicial or administrative proceeding against Contractor;

(iv) Foreign Person. Contractor is not a "Foreign Person" as such term is defined under § 1445 of the Internal Revenue Code of 1986, as amended (the "Code");

(v) No Condemnation. There are no existing, or to Contractor's knowledge pending or anticipated condemnation or similar proceedings against or involving the Property;

(vi) Agreements. Contractor has not granted, either orally or in writing, to any person or entity, hereunder any leases, options, rights of first refusal, contracts to purchase or other legal or equitable interest in, or rights pertaining to, the Property;

(vii) No Undisclosed Assessments. To Contractor's knowledge, there are no taxes, assessments or buy-ins (special, general or otherwise) affecting the Property, or any portion thereof. Contractor has no understanding or agreement with any taxing authority

respecting the imposition or deferment of any taxes or assessments respecting the Property and has not received written notice of any proposed assessments or buy-ins;

(viii) Hazardous Waste. The Property is not nor, to Contractor's knowledge has it been under investigation for a violation of any federal, state or local law, ordinance or regulation

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relating to industrial hygiene or to the environmental conditions in, at, on, under or about the Property including, but no limited to, soil and ground water conditions. Neither Contractor nor, to Contractor's knowledge, any third party has used, generated, manufactured, stored or disposed in, at, on, under or about the Property or transported to or from the Property any Hazardous Material (as defined below). There has been no discharge, migration or release of any Hazardous Material from, into, on, under or about the Property; and there is not now, nor has there ever been on or in the Property underground storage tanks, any asbestos-containing materials or any polychlorinated biphenyls, including those used in hydraulic oils, electric transformers, or other equipment (except for equipment used in the ordinary course of Contractor's business).As used herein, Hazardous Material shall mean any flammables, explosives, radioactive materials, hazardous wastes, hazardous and toxic substances or related materials, asbestos or any material containing asbestos (including, without limitation, vinyl asbestos tile), or any other substance or material, defined as a hazardous substance by any federal, state or local environmental law, ordinance, rule or regulation including, without limitation, the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Federal Hazardous Materials Transportation Act, as amended, the Federal Resource Conservation and Recovery Act, as amended, and the rules and regulations adopted and promulgated pursuant to each of the foregoing;

(ix) Non-Profit Status. The Contractor is a non-profit Arizona corporation in good standing, whose mission includes providing affordable housing; and

(x) Change of Circumstances. If any facts or circumstances which are contrary to the foregoing representations and warranties become known to Contractor after the Agreement Date, Contractor shall notify Administrator thereof.

All of the Contractor's warranties, representations or covenants in this Agreement: (i) constitute a material part of the consideration hereunder; and (ii) are true and complete as of the date hereof. None of the statements, representations or warranties of Contractor shall misstate or omit any facts which would make such statements, representations or warranties incomplete, misleading or incorrect. Contractor shall inform Administrator if any statement, representation or warranty becomes incorrect, misleading or incomplete subsequent to the date hereof.

7. Administrator's Conditions Precedent. The obligation of Administrator to fund the Funding Amount to Contractor for the acquisition of the Property is expressly conditioned on Contractor's being in full compliance with the terms and conditions of this Agreement. Specifically, in addition to all other obligations of Contractor under this Agreement, Administrator's obligation to provide the Funding Amount is expressly conditioned on Administrator's approval, in Administrator's sole and absolute discretion, of the following:

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(i) Escrow. The purchase and sale agreements for the Property, which shall provide that the Funding Amount shall be delivered through an escrow (the "Escrow") with an established, licensed escrow agent ("Escrow Agent") who shall be authorized to close the transaction and effectively transfer the title to the Property to Contractor;

(ii) Property Title and Physical Condition. The form and content of all the title documents relating to the Property, including, but not limited to, a Standard Owner's Title Insurance Policy in the name of Contractor to be issued at the closing of the purchase of the Property, insuring fee simple title to the Property in the name of Contractor, in the amount of the Purchase Price, further insuring that the Deed Restriction and the rights to enforce its terms is vested in ADHS, ADOH and AHCCCS~~A~~;

(iii) The physical condition of the Property;

(iv) The terms and conditions of the Deed Restriction;

(vi) The financing arrangement of Contractor with respect to the acquisition and/ or renovation or new construction of the Property, including, but not limited to, all loan applications, notes, contracts, mortgages, deeds of trust, liens, assignment of rents, security agreements, bills of sale and any other document, report or information related to any financing of the Purchase Price;

(vii) The form of review and/or approval of AHCCCS~~DHS~~ and~~,~~ ADOH when appropriate,~~and AHCCCS~~ of the acquisition and/or renovation or new construction of the Property and the operation of the Property under the terms of the Housing Plan, the Administrator/AHCCCS~~DHS~~ Contract and any related agreements; and

(viii) Any other reasonable review that Administrator conducts with respect to the Property, acquisition and/or renovation or new construction, or other related matter.

8. Deed Restriction. Contractor shall cause to be executed, delivered, and recorded in the **___(County)___** County Recorder's Office the Deed Restriction, in the form attached hereto as Exhibit "B," the terms of which are subject to the review and approval of Administrator, AHCCCS~~DHS~~ and, ADOH when appropriate ~~and ACCCHS~~. Further, Contractor covenants and agrees to comply with the terms and conditions of the Deed Restriction

9. Post Acquisition and/or~~/~~Renovation or New Construction~~habilitation~~ and Operation.

(i) Upon Contractor's receipt of AHCCCS~~DHS~~ Funds, Contractor shall immediately commence the construction of the Housing Units according to the terms of this Agreement. Contractor shall expend approximately **$_____** on the construction and

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renovation~~habilitation~~ of improvements for the Property. These improvements will include, but are~~is~~ not limited, to constructing new residential rental housing units including necessary off-site and on-site improvements, installing new appliances, new plumbing, painting, carpet, tile, fixtures, and other improvements to make the units ready for residents. All construction activity shall be conducted by licensed contractors registered and in good standing with the Arizona Registrar of Contractors, shall be paid in full and shall be completed in a workmanlike manner. Contractor shall cause Owner to procure and maintain all applicable permits, licenses, authorizations and insurance policies required under applicable codes, regulations or laws and the terms of this Agreement. Contractor agrees to fully pay promptly and completely all licensed contractors and subcontractors who perform renovation~~habilitation~~ work on the Property and Housing Units or supply labor or materials.

(ii) After the acquisition of the Property by Contractor, Contractor shall operate the Property and the Housing Units according to the terms of this Agreement and the Scope of Work stated on Exhibit C attached hereto and incorporated herein by this reference. The Contractor shall cooperate with Administrator in the implementation of the goals and strategies contained in the Housing Plan. The Contractor acknowledges receipt of a copy of the Housing Plan. Contractor agrees to execute whatever other documents and agreements are necessary to implement the Scope of Work.

10. Referral. The Contractor will accept and timely and accurately process all referrals from Administrator.

11. Housing Standards. The Contractor will ensure all Housing Units on the Property are in conformance with the following requirements:

(i) The Contractor shall insure that each Housing Unit meets HQS and any other housing quality standards established by Administrator and HUD, from time to time. In addition, Contractor shall comply with (i) the Arizona Residential Landlord Tenant Act, A.R.S. §33-1301 *et seq.*, (ii) the Arizona Mobile Home Residential Landlord and Tenant Act, A.R.S. §33-1401 *et seq.*, as applicable, (iii) applicable provisions of the Americans with Disabilities Act, (iv) applicable provisions of the Arizona and Federal Fair Housing Laws, and (v) the contract grievance resolution requirements of ADHS;

(ii) The Contractor shall insure that each Housing Unit remains in compliance with the Deed Restriction and all other covenants and restrictions specific to the Property;

(iii) The Contractor shall comply with Administrator's Housing Policies and Procedures as implemented from time to time, and any Rental Agreement shall include provisions obligating the Contractor to comply with the Administrator's Housing Policies and Procedures; and

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(iv) The Contractor shall assist in the resolution of complaints, grievances and final appeals of Covered Persons, including appeals, through Administrator, HUD, and AHCCCS~~DHS~~.

12. ~~ADHS~~ AHCCCS Program Requirements. The Contractor and Administrator shall comply with all applicable federal, state and local laws, rules and regulations governing the Contractor's performance under this Agreement. The Contractor and Administrator shall comply with the specific AHCCCS~~DHS~~/Administrator requirements~~, and any applicable AHCCCSA requirements referenced in,~~ or otherwise applicable to this Agreement, including the Housing Policies~~ and Procedures~~, as applicable, the AHCCCS~~DHS~~ State Contract and/or subcontract Requirements, as applicable.~~, and the ADHS Minimum Subcontract Requirements, as applicable.~~ In the event that applicable federal, state or local law or regulations change, the Contractor agrees to comply with such changes.

13. Quality Assurance. The Contractor agrees to comply with Administrator Housing Quality Standards for Covered Persons, as applicable. A copy of the applicable Housing Quality Standards has been provided to the Contractor by Administrator. The Contractor agrees to timely exercise best efforts to resolve any quality operator and home maintenance complaints from Covered Persons, Housing Providers, Administrator or the AHCCCS~~DHS/DBHS~~.

14. Accounting System. The Contractor shall have and maintain an automated electronic accounting system with software that records all financial data pertinent to this Agreement, including but not limited to Contractor's income and expense data, payments and expenditures which also equitably allocates common expenses between funding sources and Housing Units in substantial compliance with GAAP (Generally Accepted Accounting Procedures), as applicable. The Contractor's accounting system must provide a detailed audit trail that allows reported financial data to be verified.

15. Cash Reserves. The Contractor shall maintain minimum cash reserves as applicable of $25,000 (for Single Family) or $100,000 (for Small Apartment Complex), or maintain a financial line of credit at those levels.

16. Segregation. The Contractor's accounting system shall maintain a segregation of revenue and expenditures by funding source. Allocation of cost to a funding source is acceptable provided an adopted, consistently applied cost allocation system, which accurately documents cost, is an integral part of the Contractor's accounting system.

17. Annual Internal Financial Statements. The Contractor shall provide Administrator no later than 45 days following the end of the Contractor's fiscal year, internally prepared balance sheets, statements of revenues and expenses and statements of cash flow ("Internal Financial Statements"), all for the preceding fiscal quarter and fiscal year to date, and reflecting the financial results of this Agreement. The Internal Financial Statements shall be certified by an officer of the

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Contractor that to the best of his or her knowledge the information is correct and complete and fairly present the financial results of this Agreement as of and to the date of the Internal Financial Statements.

18. Audited Financial Statements. During the Term of this Agreement, within ninety (90) days after the end of each twelve-month period following the Agreement Date, the Contractor shall, at its expense, provide Administrator with a certified audited financial statement reflecting the financial results of this Agreement for that twelve-month period. Contractor acknowledges that the expenditures associated with the audit has been taken into consideration and are the sole responsibility of Contractor.

19. Cost Finding Procedures. The Contractor shall participate in such cost finding procedures as may be required by Administrator and shall provide Administrator at such times as may be requested by Administrator information sufficient to enable Administrator to ascertain the amount of all incurred expenses.

20. Assignment/Delegation of Rights and Obligations. The Contractor's rights and obligations under this Agreement shall not be assigned or delegated without the prior written consent of Administrator. Administrator shall provide the Contractor at least sixty (60) days prior written notice before any assignment/delegation of its rights and obligations hereunder. Administrator may assign this Agreement to any entity that controls, is controlled by or is under common control with Administrator.

21. Termination Without Cause. Administrator may terminate this Agreement without cause upon at least forty-five (45) days prior written notice to the Contractor.

22. Termination for Cause. Administrator and Contractor shall each have the unilateral right to terminate this Agreement upon ten (10) days prior written Notice to the other for "Cause," which means:

(i) In the case of Administrator, the loss of Contractor's 501(c)(3) status; loss of required insurance; failure to timely pay property taxes, if applicable;

(ii) In the case of Administrator, Contractor action or inaction that results in an immediate and irreparable threat to the health or well-being of a Covered Person;

(iii) In the case of Administrator or Contractor, the cancellation or termination of Administrator's Contract with AHCCCS~~DHS~~;

(iv) In the case of Administrator, upon material Default of any obligation or duty under this Agreement by Contractor, which is not cured within the cure period specified below.

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a. For those conditions described in Paragraph 22 (ii) above, Administrator shall give Contractor twenty-four (24) hours prior written notice to cure the threat to the health or well-being of the affected Covered Person provided, however, that in any situation involving an immediate threat to the health and safety of a Covered Person after giving such notice to the Contractor as is reasonable and practicable under the circumstances, Administrator shall have the right to remove the Covered Person from the Housing Unit or to otherwise eliminate the threat to the Covered Person, and the entire cost thereof to Administrator may be deducted from the next payments due to the Contractor hereunder;

b. For any other material Default alleged, Administrator shall give Contractor ten (10) days prior written notice to cure the alleged material Default, provided that if the material Default and/or exception is one that cannot be cured within ten (10) days through no fault of Contractor, and Contractor demonstrates that it is diligently pursuing a cure, then Administrator shall provide Contractor such additional time up to an aggregate of thirty (30) days as is reasonably necessary to effect a cure, before terminating this Agreement.

(v) In the case of Administrator, failure of Contractor to maintain liability insurance coverages required by this Agreement.

23. Effect of Termination. Upon termination of this Agreement, with or without cause, the Contractor agrees that any Covered Person receiving Housing Services prior to the Termination Date will continue to receive Housing Services until Administrator can arrange to transition responsibility for the Covered Person to another contractor. Administrator agrees that the Contractor shall be paid upon receipt of final invoice for all services performed during any transition period after a Termination Date, through the date the transition is completed ("Transition Date"). Administrator also agrees to pay all amounts due the Contractor pursuant to this Agreement within thirty (30) days of a Termination Date, and/or Transition Date, as applicable. Upon termination of this Agreement, all rights and obligations of the parties to this Agreement shall immediately cease except as otherwise provided herein.

24. Transfer of Records. Upon termination of the Agreement, the Contractor shall comply with reasonable Administrator requests for the transfer or conveyance of Property documents and Rental Agreements, all records and files on acquisition, rehabilitation and operation of Housing Units and Property, and Rental Agreements for Covered Persons, created and maintained pursuant to this Agreement. The Contractor shall timely deliver or cause to be delivered accurate and legible photocopies of complete records relating to Covered Person to the Administrator, in the manner and time period as reasonably directed by Administrator.

25. Record Keeping Requirements. The Contractor shall maintain complete, accurate and timely Records on each Rental Agreement, and each Covered Person, all as required by the statutes and regulations applicable to property acquisition/construction agents under the Arizona Real Estate statutes ("Records"). The Records shall be maintained by the Contractor for at least five (5) years

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following the termination of this Agreement unless otherwise extended by law, HUD, ~~ADHS,~~ or AHCCCS~~A~~. Administrator, HUD and AHCCCS~~DHS~~ shall have the right to inspect, review and have copies made of all Records as provided in Paragraph 29 of this Agreement within ten (10) days of any request.

26. Safeguarded and Confidential Information. The Contractor's Records and other confidential information relating to Covered Persons is safeguarded by law. This safeguarded and confidential information may only be released as authorized by law. It is the responsibility of the Contractor to follow and adhere to all laws, state and federal, related to safeguarded and confidential information.

27. Express Representation. The Contractor expressly represents and warrants that it has in place the required Record keeping and cost accounting system required by Administrator, ADOH, and AHCCCS~~DHS~~ to fulfill its obligations contained in this Agreement. In addition, Administrator~~, ADHS~~ AHCCCS or ADOH may audit and inspect any of the Records and the accounting of all funds received and expended.

28. Administrator Monitoring. Administrator shall be entitled during the term of this Agreement to audit and evaluate the Housing Services delivered pursuant to this Agreement upon reasonable notice and at reasonable hours. In addition, Administrator shall be entitled during the same period of time and under these same circumstances to audit the State funds received and expended by the Contractor and other funds received by the Contractor pursuant to this Agreement.

29. Inspection. Administrator~~, ADHS~~AHCCCS and ADOH shall have full and complete rights to inspect, reproduce, duplicate, adapt, distribute, display, disclose and otherwise use all Records, reports, information, data and material prepared by the Contractor in the performance of the Agreement. Applicable State and Federal confidentiality laws shall apply. The Contractor agrees that Administrator and any other appropriate agent of the State or Federal government, or any of their duly authorized representatives, shall, upon reasonable prior notice, and during reasonable hours, have access to the Contractor's Records and the right to examine the Records of the transactions related to this Agreement and that such Records shall be maintained and not disposed-of except as provided herein

30. Insurance Requirements. The Contractor shall secure and maintain at Contractor's expense, throughout the term of this Agreement, such policy or policies of general liability and casualty insurance in an amount not less than One Million Dollars ($1,000,000.00) each occurrence, not less than Three Million Dollars ($3,000,000.00) annual aggregate, for all of Contractor's business activities under this Agreement. Contractor shall also secure and maintain comprehensive automobile liability insurance with a combined single limit for bodily injury and property damage of not less than one million dollars ($1,000,000.00), each occurrence, with respect to the Contractor's vehicles (whether owned, hired, non-owned), assigned to or utilized in the performance of this Agreement. Upon execution of this Agreement, the Contractor shall provide Administrator copies of

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all certificates of insurance and upon renewal; Contractor shall provide copies to Administrator within thirty (30) Days of renewal. The Contractor shall notify Administrator within five (5) days from the time the Contractor receives notice of cancellation or amendment to these insurance policies. The Contractor shall notify Administrator promptly of any legal action alleging professional negligence against the Contractor and of any final judgment that may be rendered against the Contractor relating to such legal action. If any policy of liability insurance is terminated, the Contractor shall immediately notify Administrator and, if the insurance was "claims made" coverage, the Contractor shall purchase "tail" coverage in an amount necessary and adequate to continue coverage which meets all of the requirements of this paragraph relating to any Housing Services rendered during the term of this Agreement. The Contractor further agrees that this provision shall survive the termination of this Agreement regardless of the cause giving rise to termination. The Contractor shall name Administrator their agents, officials and employees as additional insureds and shall specify that the insurance afforded by the Contractor shall be primary insurance and any insurance or self-insurance of Administrator or its employees shall be excess, not contributory insurance, to that provided by the Contractor. Such policy shall contain a severability of interest's provision and provision for at least thirty- (30) day's prior written notice to Administrator of any cancellations, non-renewal or material change in coverage. Administrator reserves the right to continue payment of premiums for which reimbursement shall be deducted from amounts due or subsequently due to the Contractor. Insurers qualified to transact business in Arizona shall issue all policies.

31. Indemnification. The Contractor agrees to indemnify and to hold Administrator harmless from any costs, claims, judgments, losses, damages or expenses, including attorneys' fees, which Administrator incurs because of the negligent acts or omissions of the Contractor, its employees, agents, directors, trustees and/or representatives.

32. Other Laws. The Contractor shall comply with all laws regarding Unemployment Insurance, Workers' Compensation and the Fair Labor Standards Act and shall also be responsible for all tax withholding obligations for itself and its employees. Administrator shall not have any responsibility for any of the foregoing items or responsibilities, and the Contractor's indemnity obligations shall apply to any noncompliance.

33. Failure to Procure. The Contractor's failure to procure and maintain the required liability insurance or to provide proof thereof to Administrator within 30 days following the commencement of a new policy period, shall constitute a material breach of this Agreement upon which Administrator may obtain coverage and adjust Contractor's payments to reflect cost of policy and acquisition or terminate this Agreement. Prior to the Date of this Agreement, the Contractor shall furnish Administrator with copies of the State of Arizona Certificate of Insurance (RM7200.1) or a certificate of substantially the same content.

34. Confidentiality. The parties to this Agreement agree that its Terms and Conditions are confidential. Accordingly, each party agrees that the terms herein, including its exhibits and the compensation provisions shall be and shall remain confidential, and shall not be disclosed to any

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third parties without the prior written permission of the other. Contractor consents in advance to the disclosure by Administrator of any information concerning this Agreement to ~~ADHS, DBHS, ADOH,~~ AHCCCS~~A~~, or other applicable state, federal or local agency of government. In addition, each party may receive confidential, financial or other proprietary information including trade secrets from the other, and therefore each party agrees that any such confidential, financial or proprietary information shall be kept confidential and shall not be disclosed to any third party except as compelled by subpoena or court order, or as directed in writing by the other party. This provision shall survive the termination of this Agreement regardless of the cause giving rise to termination, and may be enforced by restraining order or injunction.

35. Sanctions and Penalties

(i) Sanctions. If Administrator is ever subject to any penalty or fine under its Agreement with ~~ADHS or~~ AHCCCS~~A~~ (a "Sanction") due solely to the Contractor's failure to timely or accurately pay any claim or submit timely or accurate Records and reports to Administrator, fail HQS inspections and untimely make repairs, failure to comply with Landlord/Tenant laws, subject to the conditions below, the Contractor shall reimburse Administrator for any such Sanction within ten (10) business days after receipt of written demand for reimbursement. Where a Sanction is imposed on Administrator by ~~ADHS or~~ AHCCCS~~A~~, the Contractor will be afforded the opportunity to meet with Administrator to set forth the Contractor's position and other information related to the case or controversy to determine the merits of Administrator appealing such Sanction.

(ii) Penalties. In any instance where the Contractor knowingly submitted claims for services that were not provided, Administrator may assess monetary penalties two (2) times the amount of the claims or $1000 whichever is greater for each occurrence against the Contractor. Administrator may impose on the Contractor any other sanction or financial penalty imposed on Administrator (a "Penalty") related to performance or non-performance by the Contractor. In such cases where a Penalty is imposed on Administrator, and Administrator is seeking reimbursement, Contractor will be afforded the opportunity to meet with Administrator to set forth the Contractor's position and other information related to the case or controversy to determine the merits of appealing such Penalty.

36. Arnold v. ADHS Provisions. If and to the extent that this Agreement involves the provision of services to persons determined to have~~the~~ Serious~~ly~~ Mental~~ly~~ Illness and who are residents of **__(County)__** County, Arizona, the Contractor agrees to comply with all applicable provisions of Arizona Administrative Code Title 9, Chapter 21, Mental Health Services for People with Serious Mental Illnesses, as defined in A.R.S. §36-550, as well as any other rules and regulations required by ADHS as a result of the Arnold v. ADHS lawsuit.

37. Grievances and Appeals. The Contractor agrees to comply with Administrator's grievance and investigation polices and procedures related to Covered Persons including Administrator's informal mechanism to resolve issues before they arise to the level of a formal grievance. The Contractor further agrees to establish and implement its own internal grievance

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procedure based on written polices to resolve complaints by or on behalf of Covered Persons as required by Administrator~~,~~ and AHCCCS~~ADHS~~. The Contractor shall comply with all written grievance polices and procedures for Covered Persons in accordance with applicable federal and state law as outlined in the Administrator Agreement with AHCCCS~~DHS~~.

38. Additional Provisions.

(i) Merger/Reorganization. Any merger, reorganization or change in ownership of the Contractor wherein Contractor would be related to or affiliated with Administrator shall require a contract amendment and prior approval of AHCCCS~~DHS~~.

(ii) Contractor Liabilities. The Contractor shall be fully responsible for all tax obligations, worker's compensation insurance and all other applicable obligations which arise under this Agreement, for the Property, Housing Units, itself and its employees, and neither Administrator nor AHCCCS~~DHS~~ shall have any responsibility for any such taxes or insurance coverage.

(iii) Independent Contractor. None of the provisions of this Agreement are intended to create nor shall be deemed to create any relationship between Administrator and the Contractor other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. Neither of the parties hereto, nor any of their respective employees shall be construed to be the agent, employer, employee or representative of the other.

(iv) No Control. The operation and maintenance of the offices, facilities and equipment of the Contractor are under the control and supervision of the Contractor. Administrator shall have no right of control over the selection of the Contractor's General Contractor, Subcontractors, support staff, supervision of Contractor's personnel, property manager, real estate agents, leasing agents, or the financial operation of the Contractor's business. Except as otherwise provided in Paragraph 20 of this Agreement, nothing contained in this Agreement shall be construed to give Administrator any right to manage or conduct the actual business or operations of Contractor as a manager, proprietor, lessor or otherwise.

(v) Notices. Any notice required or permitted by this Agreement shall be in writing and unless stated otherwise shall be mailed or delivered in person to:

To Administrator:	**(RBHA Contractor)** **(Address)** **(City, State, ZipCode)**
with a copy to:	**(Name)** **(Address)** **(City, State, ZipCode)**
and to the Contractor at:	**(Contractor)** **(Address)**

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The date of receipt of any notice shall be, if delivered, the date of personal delivery to the other party during normal business hours. If mailed, the date of receipt of the notice shall be three- (3) business Days after deposit in the U.S. mail. In addition, notices required or permitted pursuant to terms of this Agreement may be faxed or electronically mailed to the other party. The date of receipt of a faxed or electronically mailed notice shall be the date of transmission of the fax or electronic mail so long as the date of transmission is a business day between 8:00 a.m. and 5:00 p.m. Otherwise, the faxed or electronically mailed notice shall be deemed delivered on the first business day thereafter.

(vi) Incorporation by Reference. All the Exhibits attached hereto are hereby incorporated by this reference. However, if any provision of this Agreement conflicts with or is inconsistent with any provision in any of the incorporated documents, the provisions of this Agreement shall govern.

(vii) Approval of Agreement. This Agreement is subject to prior approval of AHCCCS~~DHS~~. Administrator shall notify AHCCCS~~DHS~~ of this Agreement and acquire the necessary approvals. Any amendment or termination is also subject to prior approval of AHCCCS~~DHS~~ and such approval will be acquired by Administrator. In addition, this Agreement is subject to and governed by the Minimum Subcontract Provisions required by AHCCCS~~DHS attached hereto as Exhibit "D~~" as~~nd~~ incorporated herein by this reference.

(viii) Non-Discrimination Requirements. The Contractor shall comply with State Executive Order No. 99-4 which mandates that all person regardless of race, color, religion, gender, age, national origin or political affiliation shall have equal access to employment opportunities and other applicable federal and state laws, rules and regulations. The Contractor shall take affirmative action to ensure that applicants for employment, employees and persons to whom the Contractor provides Housing Services are not discriminated against due to race, creed, color, religion, gender, national origin or disability. Additionally, the Contractor shall comply with all other applicable Federal and State Laws, including but not limited to the following:

Title VII of the Civil Rights Act of 1964, as amended.
Age Discrimination in Employment Act of 1975.
A.R.S. §41-1461, *et seq*.
Section 503 of the Rehabilitation Act of 1973.
Title VI of the Civil Rights Act of 1964, as amended.
504 of the Rehabilitation Act of 1973, as amended.
Federal Fair Housing Act (Title VIII of the 1964 Civil Right Act as amended).
Americans with Disabilities Act of 1990.

(ix) Warranty of Services. The Contractor represents and warrants that all the Housing Services required by this Agreement shall be performed in substantial conformity with the

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applicable Housing Services requirements of the Administrator/ADHS Agreement, including but not limited to State/ComCare Trust. The Contractor further represents and warrants that it will perform its duties and obligations under this Agreement through qualified personnel in accordance with standards required by federal or state law, and applicable rules and regulations.

(x) Documents to Be Supplied by Contractor. Upon execution of this Agreement, the Contractor shall provide to Administrator (i) copies of all licenses, certifications, registrations and accreditations referenced in this Agreement; (ii) copies of the certificates of insurance referenced in this Agreement; and (iii) documents revealing the existence of the Contractor entity as a non-profit corporation.

(xi) Amendments. Any changes, modifications or amendments to the terms and conditions of this Agreement are ineffective unless they are reduced to writing and signed by both parties. Except as authorized herein, no condition or requirement contained in or made a part of this Agreement shall be waived or modified without an approved, written amendment. Amendments shall be effective when signed by all parties. The terms and provisions of this Agreement shall, except as and to the extent so amended, remain in full force and effect. The immediately foregoing notwithstanding, the Contractor shall give notice to Administrator of any non-material alteration to this Agreement. Non-material alterations do not require a written amendment and are: 1) change of administrative address; 2) telephone number; 3) authorized signatory agent; 4) the name and/or address of the person to whom notices are to be sent; and 5) the Contractor name changes where the ownership remains the same.

(xii) Dispute Resolution. In the event the Contractor shall have any dispute with respect to the performance or interpretation of this Agreement, the Contractor agrees to attempt in good faith to resolve any matters of controversy pursuant to Administrator' Provider Grievance and Appeal Process (as specified in Administrator's Provider Manual) prior to the initiation by Contractor of any legal action or the exercise by the Contractor of any termination rights under this Agreement. Any dispute not related to claims payment issues between the parties which cannot be resolved pursuant to Administrator's Provider Grievance and Appeals Process shall be resolved through binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The final decision of the arbitrator shall be enforceable in any court of competent jurisdiction.

(xiii) Attorneys' Fees. In the event of litigation involving this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its costs and expenses incurred in such action from the other party, including without limitation the cost of reasonable attorneys' fees as determined by the court.

(xiv) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this Agreement shall be deemed invalid or prohibited thereunder, such provision shall be ineffective to

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the extent of such prohibition or invalidation, but it shall not invalidate the remainder of such provision or the remaining provisions of this Agreement.

(xv) Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the parties to this Agreement and their respective heirs, executors, administrators, personal representatives, successors and assigns.

(xvi) Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the law of the State of Arizona, without regard to principles of conflicts of laws, and Administrator and Contractor hereby agree to submit to personal jurisdiction in such state in any action or proceeding arising out of this Agreement. The venue for any dispute arising hereunder shall be in a court of competent jurisdiction in **___(County)___** County, Arizona, and Contractor and Administrator each hereby irrevocably waive any objection to such venue.

(xvii) Captions. The captions of the paragraphs of this Agreement are inserted for convenience only and shall not define, limit, extend, control or affect the meaning or construction of any provision hereof.

(xiii) Time of the Essence. Time is of the essence in each and every provision hereof.

(xiv) Interpretations and Definitions. The parties agree that each party and such party's counsel have reviewed and revised this Agreement (or have had the opportunity to do so) and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement.

(xv) Further Assurances. Each party, promptly upon the request of the other or upon the request of Escrow Agent, shall do such further acts and shall execute and have acknowledged and delivered to the other party or to Escrow Agent, as may be appropriate, any and all further documents or instruments as may be reasonably requested or appropriate in connection with this transaction to carry out the intent and purpose of this Agreement.

39. Default and Remedies.

(i) By Contractor. If Contractor breaches any of the material terms or provisions of this Agreement, Administrator may either (i) terminate this Agreement by written notice to Contractor pursuant to Paragraph 22 of this Agreement, then Administrator shall be entitled to pursue and recover any consequential damages incurred as a consequence of Contractor's breach; or (ii) immediately pursue recovery of all actual damages suffered directly attributable to Contractor's breach.

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(ii) By Administrator. If Administrator breaches any of the material terms or provisions of this Agreement, Contractor may either (i) terminate this Agreement by written notice to Administrator pursuant to Paragraph 22 of this Agreement, then Contractor shall be entitled to pursue and recover any consequential damages incurred as a consequence of Administrator's breach; or (ii) immediately pursue recovery of all actual damages suffered directly attributable to Administrator's breach.

This Agreement is executed the date set forth above.

CONTRACTOR
(Contractor Name),
an Arizona non-profit corporation

By:_____
Its:_____
Date:_____

ADMINISTRATOR

For and On Behalf of the Regional Behavioral Health Authority

By:_____
Its:_____
Date:_____

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EXHIBIT A LEGAL DESCRIPTION OF PROPERTY

EXHIBIT B DEED RESTRICTIONS

EXHIBIT C SCOPE OF WORK – HOUSING ACQUISITION AND OPERATION SERVICES

~~EXHIBIT D – ADHS MINIMUM SUBCONTRACT PROVISIONS~~

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ACOM POLICY 448, ATTACHMENT D,
AHCCCS [~~RBHA~~ CONTRACTED RBHA ~~OR~~ NAME~~AME~~] HOUSING ACQUISITION AND/OR, RENOVATION OR NEW CONSTRUCTION OPERATING AND FUNDING AGREEMENT

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

ENTER FULL LEGAL DESCRIPTION OF THE PROPERTY HERE ~~LOT 29, OF RUTHERFORD VILLAGE, TRACT 1935, ACCORDING TO THE PLAT THEREOF, RECORDED JUNE 15, 1993, AT FEE NO. 93-32952,~~ IN THE OFFICE OF THE RECORDER OF __(COUNTY)__ COUNTY, ARIZONA.

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EXHIBIT B

DEED RESTRICTIONS

The Property can only be utilized for the purposes of housing for adult persons~~-~~ over the age of 18 who are enrolled in the __(RBHA)__ network and who are determined to have a serious mental illness as defined under ARS 36-550 et seq, and is subject to the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS dated ____(Month, Day, Year)__, between the ~~STATE OF~~ ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS)~~DEPARTMENT OF HEALTH SERVICES~~ and THE CONTRACTOR/OWNER, recorded with the County Recorder.

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EXHIBIT C

SCOPE OF WORK

SCOPE OF HOUSING ACQUISITION AND OPERATION SERVICES

Introduction

Contractor shall provide the Housing Acquisition/Renovation and Operation Services set forth in this Exhibit C, Scope of Work, and in accordance with the Deed Restriction and the Housing Acquisition and Operation Agreement (including but not limited to all of the Contractor Requirements), for Covered Persons entitled to receive Housing Services under the Administrator/AHCCC~~DH~~S Contract who are referred for housing.

Selection of Project

Administrator offers a project. The Contractor may accept or decline the project. The Contractor may also propose a project to Administrator. The Contractor shall receive no reimbursement prior to obtaining Administrator's approval for any and all projects undertaken.

Plan / Rental Agreement

After closing of Escrow, the Contractor is to develop, prepare and execute with each Covered Person as to each Housing Unit a Rental Agreement complying with the provisions of the Arizona Residential Lessor and Tenant Act and thereafter enforce and administer the Rental Agreement for the benefit of Administrator. The total monthly rental payable under a Rental Agreement shall not exceed 30% of each Covered Person's Adjusted Gross Income. The Rent payable by the Covered Person to the Contractor will be strictly limited to the HUD formula of 30% of his or her adjusted gross income.

The scope of Housing Acquisition and Operation Services is further defined by the Contractor Requirements described hereafter. For the avoidance of doubt, any medical, clinical, mental health, social or other types of non-property acquisition/construction services performed by the Contractor are outside the course and scope of Contractor's engagement under this Agreement.

Contractor's Requirements

1. Housing Program Selection for Covered Person. The Contractor will place the Covered Person in a Housing Unit as noted in the referral from Administrator Housing Manager. Any changes in the assignment to the requested housing program shall be prior-approved by Administrator Housing Manager in writing.

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2. Collection of Covered Person Share of Rent. The Contractor shall inform each Covered Person of his or her Rent and/or utility payments and allowances as part of a legal Rental Agreement or Lease in accordance with Arizona Residential Landlord Tenant Act as applicable~~.~~

3. Security Deposits and Other Charges in Addition to Rent. Contractor shall establish a security or utility deposit for a Covered Person placed in a Housing Unit in accordance with Arizona Residential Landlord Tenant Act. The Contractor is entitled to reimbursement for such security and/or utility deposits from the Administrator upon receipt of appropriate documentation of the deposit(s). Contractor shall not charge or invoice Administrator for any programmatic costs not specifically authorized and delineated in this Contract. Contractor may charge Covered Persons for other costs in accordance with the following provisions:

(i) The Contractor shall not charge applicants for costs associated with accepting and processing applications or verifying income and eligibility, including application fees, credit report charges or other costs associated with these functions.

(ii) The Contractor may collect damage and key deposits in accordance with Arizona law, with prior approval by Administrator Housing Manager.

(iii) Contractor may invoice a Covered Person for a check returned for insufficient funds only for the amount the bank charges the Contractor for processing the returned check, unless approved by Administrator Housing Manager.

(iv) Contractor may charge a Covered Person a $100 fee if a Covered Person wishes to move from a Housing Unit to another Housing Unit before the expiration of the Rental Agreement term. This fee is incurred for breakage of the Rental Agreement and shall be utilized solely to offset any expenses the Contractor incurs in turning the Housing Unit.

(v) Contractor may require Covered Persons to pay other charges only to the extent such other charges have prior approval from Administrator Housing Manager and/or a Covered Person's clinical team.

4. Eviction Proceedings. The Contractor shall provide all notices and documents required by the Arizona Residential Landlord Tenant Act and Administrator regarding evictions. Additionally, prior to initiating any eviction proceeding, the Covered Person's clinical team must be notified and a staffing must be held. The Contractor must be represented at that staffing. Finally, all evictions must have prior written approval from Administrator Housing Manager.

5. Outreach for Housing Units. The Contractor shall conduct outreach to prospective Sellers, negotiate reasonable purchase price and negotiate other favorable terms for acquisition of Housing Units. Administrator and AHCCCS~~DOH~~ retain the right of prior approval and refusal on all Housing Units proposed to be purchased by the Contractor.

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6. HQS and Inspector Availability. The Contractor shall conduct HQS inspections and complete reports as required by Administrator and HUD and maintain at least one person on staff or on contract who is qualified to perform and who will perform the HQS inspections within 72 hours of request by the Administrator, and within 24 hours of the request in the case of priority move-ins. The Contractor shall conduct yearly or interim HQS inspections as needed.

7. Walk-Through Inspections. The Contractor shall conduct and report to Administrator the results of walk through inspections of the Property and all Housing Units.

8. Damage Claims Reimbursement and Turn-Around Time-Relet Housing Units. Covered Person is liable for damages caused by Covered Person or for which Covered Person is otherwise responsible. The Contractor shall investigate, evaluate, and resolve all complaints of damages to Housing Units occupied by Covered Persons. In the event the Contractor has incurred any cost associated with court filings, attorney and Sheriff fees, maintenance, repair or clean-up services for a Housing Unit, Contractor must forward all documentation of costs to the Administrator Housing Manager, itemizing all costs actually incurred. All claims, bids, and payments must be justified in writing and submitted to Administrator. The Contractor shall be responsible for re-letting a Housing Unit to a Covered Person within five (5) days after a Housing Unit becomes vacant following termination of a Rental Agreement or after eviction or determination of abandonment of a Housing Unit during the Rental Agreement term.

9. Maintenance of Files. The Contractor shall maintain complete individual files on each Covered Person referred to the Contractor and additionally, maintain a file on each Housing Unit under a Rental Agreement.

10. Maintenance of Documents and Papers. The contractor shall ensure that all Covered Person Rental Agreements, housing assistance payment contracts, occupancy agreements, and Sponsor Based Rental Agreements are executed, maintained, and performed in compliance with approved Administrator policies.

11. Hearings and Grievances. The Contractor shall operate an informal and formal hearing process for the resolution of Covered Person matters handled by the Contractor. The Contractor shall maintain copies of the AHCCCS~~DHS~~/Administrator grievance procedures and make them available to or on behalf of a Covered Person who has indicated dissatisfaction with the services of the Contractor.

12. Housing Maintenance Plan. The Contractor shall maintain a Housing Maintenance Plan, including a provision for 24-hour or other on call availability to Covered Person, Administrators, Housing Managers and Case Managers regarding housing matters for Housing Units.

13. Limitations on Modifications of Housing Programs. The Contractor shall implement any modifications to the housing programs, whether program wide or specific to an individual Covered Person, only as mutually agreed upon with Administrator.

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14. Cooperation with Oversight Agencies. The Contractor shall cooperate with all Administrator, ~~ADHS/DBHS,~~ AHCCCS~~DOH,~~ the Arizona State Auditor General and other appropriate monitoring activities, including record review training sessions, and site-visits.

15. Cooperation With and Participation on Clinical Team. The Contractor shall cooperate with Administrator staff, Clinical teams, support service Contractors, Adult Probation, Vocational Rehabilitations, and others for the overall acquisition/construction and success of the Housing Program and the Covered Persons participating in the Program. The Contractor shall respond promptly to calls from these persons and promptly report Covered Person information to the Case Managers and other appropriate contractors, especially when Covered Persons activity is affecting housing eligibility, tenancy status, or is indicative of a clinical problem; cooperate with and initiate as necessary in an Individualized Service Planning Process (ISP) or a Staffing for any Covered Person who may be jeopardizing his or her housing eligibility by violations of the housing program standards.

16. Meeting Attendance. The Contractor shall attend meetings, including grievance, appeal and ISP hearings. Appropriate notice shall be given to Contractor requesting meeting attendance.

17. Privacy of Covered Person. The Contractor shall decline to disclose, without proper authorization, a Covered Person's medical history, and not accept or maintain medical records, except for the minimum amount of information necessary to assess Housing Unit accessibility needs, if appropriate. Information that is received by the Contractor from a Covered Person or other third party that is of a clinical nature should be referred to the Case Manager, Housing Administrator or clinical team.

18. Oversight of Housing Unit Occupancy. Housing Units should be occupied within the turnover time frames delineated in this Scope of Work. Administrator will not reimburse the Contractor for rental and other costs at the stated rate for any Housing Units that are vacant longer than as stated above, unless:

(i) Administrator has not referred a Covered Person to the Contractor, or

(ii) The Contractor can document that the vacant Housing Unit has been offered to all Covered Persons currently in the Administrator housing division, or

(iii) The Contractor can otherwise establish good cause for the extended vacancy.

19. No Discrimination. The Contractor shall not illegally or unconstitutionally discriminate against or segregate any person or group of persons on account of gender, marital status, race, age, disability, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of property herein conveyed, nor shall Contractor establish or permit

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any such practice or practices of discrimination or segregation, location, number, use or occupancy of tenants, lessees, subtenants or vendees in the property.

20. Compliance With Local Codes. The Property shall be maintained in compliance with city, county and/or state zoning ordinances and with any ordinance relating to real property maintenance, health and safety.

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EXHIBIT D

AHCCCS~~ADHS~~ MINIMUM SUBCONTRACT PROVISIONS

~~*[The following provisions must be included verbatim in every RBHA contract, revised 100100.]*~~

~~**Section 1 Evaluation of Quality, Appropriateness, or Timeliness of Services**. The Arizona Department of Health Services (ADHS), Arizona Health Care Cost Containment System Administration (AHCCCSA), or the U.S. Department of Health and Human Services may evaluate, through inspection or other means, the quality, appropriateness or timeliness of services performed under this contract.~~

~~**Section 2 Records and Reports**. The Subcontractor shall maintain all forms, records, reports and working papers used in the preparation of reports, files, correspondence, financial statements, records relating to quality of care, medical records, prescription files, statistical information and other records specified by ADHS and AHCCCSA for purposes of audit and program acquisition/construction. The Subcontractor shall comply with all specifications for record-keeping established by ADHS and AHCCCSA. All books and records shall be maintained to the extent and in such detail as shall properly reflect each service provided and all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature for which payment is made to the Subcontractor. Such material shall be subject to inspection and copying by the State, AHCCCSA, ADHS/DBHS and the U.S. Department of Health and Human Services during normal business hours at the place of business of the person or organization maintaining the records.~~

~~The Subcontractor agrees to make available at the office of the Contractor, at all reasonable times, any of its records for inspection, audit or reproduction, by any authorized representative of the State or Federal governments.~~

~~The Subcontractor shall preserve and make available all records for a period of five years from the date of final payment under this contract except as provided in paragraphs a. and b. below:~~

~~a. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any such termination.~~

~~b. Records which relate to disputes, litigation or the settlement of claims arising out of the performance of this contract, or costs and expenses of this contract to which exception has been taken by the State, shall be retained by the Subcontractor until such disputes, litigation, claims or exceptions have been disposed of.~~

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~~The Subcontractor shall provide all reports requested by ADHS and AHCCCSA, and all information from records relating to the performance of the Subcontractor which ADHS and AHCCCSA may reasonably require. The Contractor reporting requirements may include, but are not limited to, timely and detailed utilization statistics, information and reports.~~

~~**Section 3 Limitations on Billing and Collection Practices**. The Subcontractor shall not bill, nor attempt to collect payment directly or through a collection agency from a person claiming to be AHCCCS eligible without first receiving verification from AHCCCS that the person was ineligible for AHCCCS on the date of service, or that service provided were not AHCCCS covered services. This provision shall not apply to patient contributions to the cost of services delivered by nursing homes.~~

~~**Section 4 Assignment and Delegation of Rights and Responsibilities**. No payment due the Subcontractor under this subcontract may be assigned without the prior approval of the Contractor. No assignment or delegation of the duties of this contract shall be valid unless prior written approval is received from the Contractor.~~

~~**Section 5 Approval of Subcontracts, Amendments or Termination**. This Contract is subject to prior approval by ADHS. The subcontractor shall notify the Contractor in the event of any proposed amendment or termination during the term hereof. Any such amendment or termination is subject to the prior approval of ADHS. Approval of the subcontract may be rescinded by the Director of ADHS for violation of federal or state laws or rules.~~

~~**Section 6 Warranty of Services**. The Subcontractor, by execution of this contract, warrants that it has the ability, authority, skill, expertise and capacity to perform the services specified in this contract.~~

~~**Section 7 Subjection of Subcontract**. The terms of this contract shall be subject to the applicable material terms and conditions of the contract existing between the ADHS and AHCCCSA for the provision of covered services.~~

~~**Section 8 Awards of Other Subcontracts**. AHCCCSA and/or ADHS may undertake or award other contracts for additional or related work to the work performed by the Subcontractor and the Subcontractor shall fully cooperate with such other contractors, subcontractors, or state employees. The Subcontractor shall not commit or permit any act which shall interfere with the performance of work by any other contractor, subcontractor or state employee.~~

~~**Section 9 Indemnification by Subcontractor**. The Subcontractor agrees to hold harmless the state, all state officers and employees, ADHS, AHCCCSA and other appropriate state agencies, and all officers and employees of ADHS and AHCCCSA and all AHCCCS eligible persons in the event of nonpayment to the Subcontractor. The Subcontractor shall further indemnify and hold harmless the state, ADHS, AHCCCSA, other appropriate State agencies, AHCCCS contractors, and their agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities,~~

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~~judgments, costs and expenses which may, in any manner, accrue against the State, ADHS, AHCCCSA or its agents, officers or employees, or AHCCCS contractors, through the intentional conduct, negligence or omission of the Subcontractor, its agent, officers or employees.~~

~~**Section 10 Maintenance of Requirements to do Business and Provide Services**. The Subcontractor shall be registered with ADHS and AHCCCSA and shall obtain and maintain all licenses, permits and authority necessary to do business and render services under this contract and, where applicable, shall comply with all laws regarding safety, unemployment insurance, disability insurance and worker's compensation.~~

~~**Section 11 Compliance with Laws and Other Requirements**. The Subcontractor shall comply with all Federal, State and local laws, rules, regulations, standards and executive orders governing performance of duties under this contract, without limitation to those designated within this contract.~~

~~**Section 12 Severability**. If any provision of these standard contract terms and conditions is held invalid or unenforceable, the remaining provisions shall continue valid and enforceable to the full extent permitted by law.~~

~~**Section 13 Voidability of Subcontract**. This contract is voidable and subject to immediate termination by the Contractor upon the Subcontractor becoming insolvent or filing proceedings in bankruptcy or reorganization under the United States Code, or upon assignment or delegation of the contract without the prior written approval of the Contractor.~~

~~**Section 14 Confidentiality Requirement**. Confidential information shall be safeguarded pursuant to 42 CFR Part 431, Subpart F, ARS. §36-107, 36-2903, 41-1959 and 46-135, and AHCCCS Rules.~~

~~**Section 15 Grievance Procedures**: Any grievances filed by the Contractor shall be adjudicated in accordance with AHCCCS Rules.~~

~~**Section 16 Termination of Subcontract**. The Contractor may, by written notice to the Subcontractor terminate this subcontract if it is found, after notice and hearing by the State, that gratuities in the form of entertainment, gifts, or otherwise were offered or given by the Subcontractor, or any agent or representative of the Subcontractor, to any officer or employee of the State with a view towards securing a contract or securing favorable treatment with respect to the awarding, amending or the making of any determinations with respect to the performance of the Subcontractor; provided, that the existence of the facts upon which the state makes such findings shall be in issue and may be reviewed in any competent court. If the contract is terminated under this section, the Contractor shall be entitled to a penalty, in addition to any other damages to which it may be entitled by law, to exemplary damages in the amount of three times the cost incurred by the Subcontractor in providing any such gratuities to any such officer or employee.~~

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~~**Section 17 Prior Authorization and Utilization Review**. The Subcontractor shall cooperate with the prior authorization, utilization review and quality acquisition/construction standards of the AHCCCS programs and appropriate federal regulations. The Subcontractor shall only claim Title XIX or Title XXI reimbursement for services that were provided to a Title XIX or Title XXI member in accordance with the standards set forth in this contract.~~

~~**Section 18 Non-Discrimination Requirements**. If applicable, the Subcontractor shall comply with:~~

~~a. Equal Pay Act of 1963, as amended, which prohibits sex discrimination in the payment of wages to men and women performing substantially equal work under similar working conditions in the same establishment.~~

~~b. Title VI of the Civil Rights Act of 1964, as amended, which prohibits the denial of benefits of, or participation in, contract services on the basis of race, color, or national origin.~~

~~c. Title VII of the Civil Rights Act of 1964, as amended, which prohibits private employers, state and local governments, and educational institutions from discriminating against their employees and job applicants on the basis of race, religion, color, sex, or national origin.~~

~~d. Title I of the Americans with Disabilities Act of 1990, as amended, which prohibits private employers and state and local governments from discriminating against job applicants and employees on the basis of disability.~~

~~e. Civil Rights Act of 1991, which reverses in whole or in part, several recent Supreme Court decisions interpreting Title VII.~~

~~f. The Age Discrimination in Employment Act (A.R.S. Title 41-1461, et. seq.); which prohibits discrimination based on age.~~

~~g. State Executive Order 75-5 and Federal Order 11246 which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities.~~

~~h. Section 503 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement of the employment of qualified persons because of physical or mental handicap.~~

~~i. Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap in delivering contract services.~~

~~**Section 19 Compliance with AHCCCS Rules Relating to Audit and Inspection**. The Subcontractor shall comply with all applicable ADHS and AHCCCS Rules and Audit Guides~~

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relating to the audit of the Subcontractor's records and the inspection of the Subcontractor's facilities. If the Subcontractor is an inpatient facility, the Subcontractor shall file uniform reports and Title XVIII, Title XIX and Title XXI cost reports with AHCCCSA.

Section 20 Certification of Truthfulness of Representation. By signing this contract, the Subcontractor certifies that all representations set forth herein are true to the best of its knowledge.

Section 21 Certification of Compliance - Anti-Kickback and Laboratory Testing. By signing this contract, the Subcontractor certifies that it has not engaged in any violation of the Medicare Anti-Kickback statute (42 USC §§1320a-7b) or the "Stark I" and "Stark II" laws governing related-entity referrals (PL 101-239 and PL 101-432) and compensation therefrom. If the Subcontractor provides laboratory testing, it certifies that it has complied with 42 CFR, §411.361 and has sent to AHCCCSA simultaneous copies of the information required by that rule to be sent to the Health Care Financing Administration.

Section 22 Conflict in Interpretation of Provisions. In the event of any conflict in interpretation between provisions of this contract and ADHS and AHCCCS Minimum Subcontract Provisions, the latter shall take precedence.

Section 23 Merger, Reorganization and Ownership Change. A merger, reorganization or change in ownership of a provider which is related or affiliated with the Subcontractor shall require a contract amendment and prior approval of the Contractor.

Section 24 Encounter Data Requirement. If the Subcontractor does not bill the Contractor (e.g., Subcontractor is capitated), the Subcontractor shall submit encounter data to the Contractor in a form acceptable to ADHS.

Section 25 Clinical Laboratory Improvement Amendments of 1988. The Clinical Laboratory Improvement Amendment (CLIA) of 1988 requires laboratories and other facilities that test human specimens to obtain either a CLIA Waiver or CLIA Certificate in order to obtain reimbursement from the Medicare and Medicaid (AHCCCS) programs. In addition, they shall meet all the requirements of 42 CFR 493, Subpart A.

To comply with these requirements, AHCCCSA requires all clinical laboratories to provide verification of CLIA Licensure or Certificate of Waiver during the provider registration process. Failure to do so shall result in either a termination of an active provider ID number or denial of initial registration. These requirements apply to all clinical laboratories.

Pass-through billing or other similar activities with the intent of avoiding the above requirements are prohibited. Contractor may not reimburse providers who do not comply with the above requirements.

Section 26 Insurance.
(This provision applies only if the Subcontractor provides services directly to AHCCCS members)

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~~The Subcontractor shall maintain for the duration of this contract a policy or policies of professional liability insurance, comprehensive general liability insurance and automobile liability insurance. The Subcontractor agrees that any insurance protection required by this contract, or otherwise obtained by the Subcontractor, shall not limit the responsibility of Subcontractor to indemnify, keep and save harmless and defend the State, ADHS and AHCCCSA, their agents, officers and employees as provided herein. Furthermore, the Subcontractor shall be fully responsible for all tax obligations, Worker's Compensation Insurance, and all other applicable insurance coverage, for itself and its employees, and AHCCCSA shall have no responsibility or liability for any such taxes or insurance coverage.~~

~~**Section 27 Fraud and Abuse**. If the Subcontractor discovers, or is made aware, that an incident of potential fraud or abuse has occurred, the Subcontractor shall report the incident to ADHS, who shall proceed in accordance with the *AHCCCS Health Plans and Program Contractors Policy for Prevention, Detection and Reporting of Fraud and Abuse*. Incidents involving potential member eligibility fraud should be reported to AHCCCSA, Office of Managed Care, Member Fraud Unit. All other incidents of potential fraud should be reported to AHCCCSA, Office of the Director, Office of Program Integrity.~~

~~**Section 28 Compliance with Title XIX, Title XXI and ARS §36-2901**. The Subcontractor shall comply with provisions of federal laws and regulations governing the Title XIX and Title XXI programs except for those requirements waived for the state by the federal government. The Subcontractor shall comply with the provisions of ARS §36-2901 et seq. governing AHCCCSA and with all applicable rules promulgated by AHCCCSA and ADHS.~~

~~**Section 29 No Reject - No Eject**. The Subcontractor shall accept all referrals of enrolled persons made by the Contractor. The subcontractor shall not terminate services to an enrolled person or discharge an enrolled person from a residential setting without prior approval from the Contractor.~~

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