

**PROPOSAL SUMMARY
LOS GATOS RENTAL DISPUTE RESOLUTION PROGRAM**

Agency name: Project Sentinel
 Contact person: Elizabeth Guzman
 Address: 1490 El Camino Real, Santa Clara, CA 95050
 Phone number: 408.470.3735
 Fax: 408.648.2955
 E-mail: eguzman@housing.org

COST OF SERVICES: July 1, 2020 - June 30, 2025

Service	Fee	Annual Total
Implementing the Rental Dispute Resolution Program (monthly)	\$2,500	\$30,600
Mediation Services (per mediation 2-4 hrs)	\$400	5x \$2,000
Arbitration Services (per arbitration 4-8 hrs)	\$700	2x \$1,400
Other (please specify):	NA	NA
ANNUAL TOTAL NOT TO EXCEED:		\$34,000

Please indicate any increase in the above-specified fees anticipated over the course of the contract and the reason(s) for these potential increases:

Over time the number of mediations has ranged from 1 to 30 a year and arbitrations from 0 to 3. We estimate for the purpose of budgeting that mediations will average 5 mediations a year and 2 arbitrations a year. In light of the housing related impacts from COVID-19, we may receive an increase in requests for mediation and arbitration. Depending on protections provided by state and county for rent-repayment and the availability of financial assistance, tenants and landlords may seek dispute resolution services in negotiating rent-repayment plans. Project Sentinel has been developing forms and online tools, and has been training mediators on the various moratorium rules in place to handle what we expect will be a significant need in our contract jurisdictions for these types of mediations. If this is the case, Project Sentinel will contact the Town of Los Gatos to seek additional funding to cover these costs.

CERTIFICATION

Proposer certifies that she/he has read, understands, and will fully and faithfully comply with this Request for Proposal, its attachments and any referenced documents. Proposer also certifies that the prices offered were independently developed without consultation

with any of the other proposers or potential proposers. By affixing his/her signature, the Proposer certifies that this Proposal is submitted in accordance with all the provisions contained in the instructions to proposers.

Authorized Signature: 

Printed Name: Ann Marquart

Title: Executive Director

Date: 08/05/2020

**PROJECT SENTINEL
PROPOSAL TO PROVIDE SERVICES FOR THE
LOS GATOS RENTAL DISPUTE RESOLUTION PROGRAM**

July 1, 2020 – June 30, 2025

I. AGENCY DESCRIPTION

Project Sentinel is one of the few non-profit agencies dedicated to housing and the resolution of housing problems. Project Sentinel was founded in 1976 as a fair housing agency by a group of citizens concerned with obstacles that minorities and other groups encountered in trying to find and retain housing. Project Sentinel has grown and expanded its services over the past 40 years since its founding. Today the agency serves a population base in excess of 4.5 million with 38 staff, operating out of seven offices (Redwood City, Santa Clara, Gilroy, Fremont, Sacramento, Milpitas and Modesto) with financial support from 19 contracts for Landlord-Tenant I&R, Counseling and Dispute Resolution services; 23 contracts and two federal awards for fair housing services; and 3 contracts and 2 foundation grants for homeownership services of mortgage foreclosure intervention and First Time home buyer education.

Annually, the agency, as a whole, receives over 12,000 I&R calls, opens an average of 2,000 cases, provides over 200 public presentations/workshops and distributes thousands of multilingual educational brochures and pamphlets.

For a number of years, Project Sentinel has successfully administered and supported a number of rental housing dispute resolution and rent stabilization programs. The agency administers or provides support for the administration of three rent control ordinances for the local governments in Mountain View, Hayward and Los Gatos. It also administers mandatory mediation ordinances for the cities of Palo Alto and Campbell, and rent stabilization ordinance for the cities of Hayward and Mt. View.

As a well-established housing and dispute resolution program services agency, Project Sentinel's trained and experienced staff is uniquely suited to continue administering the Rental Dispute Resolution Program for the Town of Los Gatos. Our current contracts with other cities, counties, and the Federal government provide us with a solid financial base, and our long-standing reputation in the community as a stable and successful non-profit agency attests to our ability to successfully maintain the services for Los Gatos with our other existing workload.

The goals of our program are to educate tenants and landlords about their respective rights and responsibilities, to advise disputing parties so that minor disagreements do not escalate into major conflicts, and to act as an impartial third party in helping to conciliate or mediate disputes. We encourage direct communication between disputing parties, and we strive to empower them to resolve their own disputes by providing impartial support.

II. PROGRAM OPERATIONS – DIRECT SERVICES

In the last several years, residential rental rates in every Silicon Valley community have increased dramatically. Rents continue to increase due to a number of economic factors including the overall shortage of housing. These rent increases are especially hard for those who have not seen equivalent increases in their income.

Administration of Ordinances:

The Town of Los Gatos is part of growing number of jurisdictions in Santa Clara County that maintains a Rent Control Ordinance as well as a Mobile Home Ordinance. Tenants are increasingly concerned about being forced out of their living arrangements due to increasing rents, while housing providers are anxious to use the Ordinance to meet their ultimate goal of bringing their rental units to “market level.” To meet the mounting needs of both these populations: owners and renters, Project Sentinel provides information, education and administers the rent dispute resolution services under these Ordinances.

In the 15+ years Project Sentinel has administered the Ordinance, and has provided ancillary services such as counseling, information and referral to all tenants and landlords, regardless of whether they are subject to the Ordinance.

A. Information & Education

Because lack of knowledge is one of the main generators of conflict, one of the primary ingredients of our conflict resolution program is to inform and educate tenants and landlords about their respective rights and responsibilities. Well-informed tenants and landlords can often avoid conflict, or, when in the midst of a conflict, are more apt at working towards realistic solutions. To achieve this result, we will perform the following activities and routine components of Project Sentinel’s information, education and outreach:

1. Website & Social Media. Project Sentinel offers a website, www.housing.org, which informs and educates on conflict resolution and other services. Various forms and educational material are available on the site, such as flyers and publications, as well as links to helpful resources for tenants and landlords such as the Rental Dispute Resolution program of Los Gatos. Our office is available for e-mail communication and conducts a significant level of communication directly through email. Through our Facebook page, we keep readers involved in the latest news and trends in the housing area. We also hold workshops broadcasted on Facebook and post short informational videos on rental housing topics.

2. Collaboration. The agency will pursue joint ventures with other related agencies, as well as providing quick and accurate referrals. The agency has a strong tie to other dispute resolution agencies such as the Peninsula Conflict Resolution Center and the Bay Area Coalition of Community Mediation. Project Sentinel works closely with a number of other organizations that serve minority, new immigrant and other underserved populations. The Asian Law Alliance provides Project Sentinel with translated materials on rental rights and responsibilities and is a source for legal referrals, along with the Law Foundation of Silicon Valley, when necessary.

3. Public presentations. Project Sentinel makes public presentations to the general community, housing industry and social service providers. The agency has been a featured speaker at various workshops and the annual trade show sponsored by Tri-County Apartment Association. Project Sentinel presents

4. Literature distribution. Project Sentinel has developed brochures specific to the Los Gatos Rental Dispute Resolution Program. The brochures are distributed at the City Hall, Library, Senior & Community Center and various expos and fairs.

B. Rent Dispute Resolution

Project Sentinel will, upon receiving an inquiry from a Los Gatos resident determine whether the housing problem is appropriate for the dispute resolution process. The process is as follows:

Step 1: Provide Information or referral services via telephone, email, mail or in person and advise all parties regarding Program procedures;

Step 2: Provide conciliation services;

Step 3: Coordinate mediation when conciliation is not sufficient;

Step 4: Coordinate arbitration when the dispute is not resolved at the mediation level;

1. Provide information to persons with questions about landlord and tenant relations for properties situated within the jurisdiction's boundaries. Direct services will be delivered full time, five days a week during normal office hours, which are 9:00 am to 4:00 pm. The Director of Dispute Resolution Programs will personally oversee the initial telephone responses and subsequent case handling for this contract. All of the specific requirements set forth in the Request for Proposals are currently being performed for the Town of Los Gatos. We offer a performance standard in which 75% of initial calls will be answered on the first call, 90% will be handled within 24 hours and 100% will normally be handled within 48 hours. Packets will be mailed within 24 hours of an appropriate request. Conciliations will be promptly addressed and cases will be moved to mediation on a timely basis. Mediations will be scheduled at the convenience of the people involved in a dispute, which can include evenings and weekends.

2. Refer calls to appropriate agencies when the caller's request falls outside the scope of Project Sentinel's services. The effectiveness of the referrals will be ensured by Project Sentinel's established network of resources and ongoing collaborations with other organizations.

3. Dispute resolution services of counseling, conciliation, mediation, and arbitration will be delivered by professional staff with some support by volunteers.

Enforcement of the rent control limits in the Ordinance and Regulations is not automatic. A rent increase will be reviewed only if an eligible tenant or tenants file a timely petition to dispute the increase. Generally, a petition challenging a 5% increase will not be accepted, unless the tenant or tenants allege a Service Reduction, which is a failure by the landlord to provide a basic service such as adequate plumbing.

Once a valid petition is received, there is a three-part dispute resolution process. At the first step, Project Sentinel staff contact both sides to resolve the dispute through telephone conciliation. The second step is mandatory attendance at a mediation session. If the case is not resolved at these two steps, the tenant can request binding arbitration. The content of all communications made by any party during the conciliation and mediation steps is maintained by Project Sentinel as confidential. Arbitration hearings are tape recorded. The recordings and the Arbitration Decision are available for review through the Town.

4. The Director or other agency staff will attend any necessary meetings with the Town of Los Gatos as requested by city officials.

5. Staff will maintain a database for easy retrieval of case handling, including the number and type of cases, client demographics, the nature of disputes, and their follow-up and resolution. This database includes information on agreement compliance. Evaluation forms will be collected from clients. The agency will provide quarterly and year-end reports including this information. The agency routinely maintains records of all telephone contacts, including the nature of the call, type of caller and referral sources. These activities are currently being performed for Los Gatos and other cities with which we contract. The agency has a separate dedicated telephone number for the Los Gatos program.

C. Advisory Role Activities

1. Project Sentinel will advise the Town from time to time and at its request regarding the status of the Program and of the Los Gatos rental housing community.
2. Project Sentinel will coordinate with and assist the Town Attorney's office in any litigation arising out of any petition processed pursuant to the Program.

III. SUMMARY OF EXPERIENCE AND KNOWLEDGE

Project Sentinel has a long-standing track record of successfully providing administrative and hearing process services based on rent stabilization ordinances in the Bay Area. No other agency in this area has a similar record.

For several years, this agency has been administering the rent stabilization petition process in for the City of Mountain View, City of Hayward and Town of Los Gatos and rental mediation programs for the City of Campbell and City of Fremont. In addition to these services, the agency serves as the first point of contact for many other jurisdictions in the area, where it provides

counseling on the tenant's and landlord's rights and responsibilities and administers voluntary and mandatory tenant-landlord mediation programs.

All staff members in the agency's office are trained as mediators, and are experienced in working with both volunteer and professional mediators in diverse capacities. The staff is experienced in all stages of casework, including case development, and monitoring and evaluating compliance with cases that are conciliated or mediated. As one of the founding members of the Bay Area Coalition for Community Mediation (BACCM), Project Sentinel works closely with other organizations to implement the Dispute Resolution Programs Act in the Bay Area, and to promote dispute resolution as a recognized and effective means of resolving problems. Project Sentinel is an active member of the California and National Association for Community Mediation (NAFCM).

For almost 20 years, the Town of Los Gatos has contracted with Project Sentinel to provide the services under the Rental Dispute Resolution Program. In that time, Project Sentinel has handled 5,551 telephone and email inquiries for the Town of Los Gatos. Of those, the agency opened 563 dispute resolution cases. Of these cases, 146 were resolved through telephone conciliation, 150 were successfully mediated, 161 cases were closed as counseled, 99 counseled cases were resolved and 17 ended in binding arbitration.

IV. STAFFING

Individuals seeking help in resolving rental housing problems are currently served by a staff of case managers who provide advice, referrals, and other information to help parties resolve their problems. The staff of Project Sentinel, providing conflict resolution services, has completed one or more mediation courses involving a minimum of 40 hours of classroom and subsequent ongoing training. Following training, staff also participates in internal reviews, monitoring their performance. Staff is mentored by more experienced members of staff. The staff has Spanish bi-lingual capacity. In addition to our regular staff, volunteer members of the community occasionally help us to provide collateral services. In all cases, volunteers are closely supervised and mentored by members of our regular staff.

Project Sentinel is a HUD designated agency for Santa Clara County for the provision of housing counseling services. As such, the staff is knowledgeable of HUD regulations for subsidized property and in mortgage default and delinquency counseling.

The Dispute Resolution Staff is supervised and managed by Elizabeth Guzman, who is the Director of Dispute Resolution Programs. Elizabeth is an experienced mediator and has had extensive training and education on various aspects of conflict resolution. She reports to the Executive Director of the agency, who in turn reports to Project Sentinel's Board of Directors. The composition of the Board of Directors reflects the agency's geographical diversity as well as its services.

The Rent Stabilization Programs Project Sentinel helps to administer is managed by Emily Hislop, the Rent Stabilization Programs Manager. Emily is a CA licensed attorney and

experienced mediator who has gained expertise in the ever-growing area of rent stabilization and dispute resolution laws. During her tenure, she has worked closely with Cities of Mountain View and Hayward in developing and implementing hearing and dispute resolution processes for their new and amended rent stabilization programs. Emily reports to the Director of Dispute Resolution Programs.

Project Sentinel’s Dispute Resolution Program currently maintains a staff of eight case managers, five of which are dedicated to jurisdictions in Santa Clara County; a Rent Stabilization Analyst, a Court Programs Manager, a Rent Stabilization Programs Manager and the agency’s Dispute Resolution Director.

Mediators appointed to Project Sentinel’s panel of mediators must have at least two years of mediation experience, and a minimum of 40 hours of training. They are also required to sign a Code of Professional Conduct and Ethics for Mediators, and to follow Project Sentinel’s philosophy in dealing with cases. Project Sentinel’s arbitrators are highly skilled attorneys with significant prior experience in arbitration and dispute resolution.

**STAFFING SUMMARY FOR THE LOS GATOS PROGRAM
(Staff resumes are attached)**

Staff Name	Position	Responsibility	# Hrs. / %
Ann Marquart	Executive Director	Over-all management	1 hr. per week or 2%
Elizabeth Guzman	Director of Dispute Resolution	Supervises all direct service staff and provides direct service to Los Gatos. Primary contact with city staff. Service outreach to Los Gatos. Administers contract requirements and reporting.	10 hrs. per week or 25%
Monica Wercinski	Case Manager	Provides I&R, in-take petitions, case development, coordinates mediations/ arbitrators under direction of Director of Dispute Resolution	10 hrs. per week or 25%
The Health Trust	Accounting	Accounting and financial reports	contractual

V. AGENCY’S FINANCIAL AND ORGANIZATIONAL STRUCTURE

(1) Financial Structure

Financial Stability: This agency has been in existence since 1976 with a current annual budget in excess of two million dollars, funded by more than 30 contracts and with a reserve sufficient for reasonable cash flow. Project Sentinel has been providing dispute resolution services since 1992 and is currently funded to provide these services to 11 municipalities in Santa Clara County. Project Sentinel is subject to an annual audit by an outside CPA firm and for the past years received no negative findings. The Health Trust's Financial and Administrative Support Services (FASS) provides accounting services to the agency. The FASS is known for its comprehensive and transparent financial services to nonprofit organizations.

Record Keeping: The agency maintains its accounts in accordance with the principles of fund accounting and reports income and expenses on the accrual basis of accounting. Fund groups are used as the basis for recording all financial transactions. The organization utilizes the following fund groups:

- Current Unrestricted Fund – represents sources over which the Board of Directors has discretionary control and is used to carry out operations of the organization in accordance with its by-laws.
- Current Restricted Fund – represents the resources currently available for use, but expendable only for those operating purposes specified by the contractor. Any program excess remains with the organization and is transferred to the unrestricted fund at year's end.
- Furniture and Equipment Fund is used for recording the cost of furniture and equipment and accumulated depreciation.

Internal controls such as personnel policies, personnel files, and time sheet maintenance are maintained in accordance with OMB Circular A-122.

Organizational functions and duties are structured to maintain a check-and-balance system by segregating responsibilities such as approving financial transactions, entering transactions, keeping control records, and inventories. All checks over \$5,000 require two signatures. The only authorized signatures are those of the Executive Director, the HUD Housing Counseling Director and the Board President.

Contributions are recorded when cash is received and are considered to be available for unrestricted use unless specifically restricted by the donor.

Contract Revenue is recorded as revenue when the conditions of the contract are fulfilled and the related costs have been incurred.

In compliance with federal regulations, Project Sentinel submits to an annual financial audit. The fiscal year 2018-19 audit was conducted by Armanino.

(2) Organizational Capacity

Organizational stability adds value to any service. Project Sentinel has almost 30 years of experience in dispute resolution with a strong track record in working with local and regional governments.

Project Sentinel actively collaborates with courts, city departments, local businesses and other social service organizations to reach their client/member base. Currently Project Sentinel provides tenant/landlord counseling and dispute resolution services for Palo Alto, Los Altos, Mountain View, Sunnyvale, Cupertino, Campbell, Milpitas, Santa Clara, Gilroy and Unincorporated Areas of Santa Clara County as well as Fremont, San Mateo County, and Stanislaus County. Project Sentinel administers mandatory mediation services or petition processes for local Rent Dispute Resolution and Rent Stabilization Programs in Campbell, Mountain View, Palo Alto, Hayward, and Los Gatos.

Agency's ability to incorporate the operation into existing workload:

- ***Demonstrated ability to administer a complex Rental Dispute Ordinance.***

Project Sentinel has a proven track record of servicing the Los Gatos ordinance which involves administrative complexity. The agency has a record of fast response to telephone inquiries and timely processing of cases through completion, with success rates resolving over 70% of filed petitions.

- ***Ability to provide both housing information and dispute resolution services.***

Because of the technical nature of housing disputes, Project Sentinel has developed a two-step approach in assisting the community by (1) offering timely and technically accurate information, and (2) providing dispute resolution services with a team of trained, experienced staff and volunteer mediators, and professional, paid mediators and arbitrators.

- ***Personalized service.*** Although some programs offer information through voicemail menu, all clients of Project Sentinel talk directly with a case manager, and receive individualized answers to their questions. We believe that personal contact is particularly important to people who are involved in disputes that affect their homes, and that our housing counselors can help to diffuse tension and anger so that people can focus on solving their problems. Project Sentinel maintains a phone line dedicated to servicing Los Gatos residents. That phone line is attended to by the agency's Director of Dispute Resolution and/or an experienced case manager.

- ***Rapid response capabilities.*** Project Sentinel provides immediate services without requiring burdensome paperwork. We have a stated goal of answering most initial calls immediately and, if necessary, returning messages within 24 hours or less. We have the ability to arrange mediations within a short time frame. All mediations are scheduled at the

convenience of the disputing parties. The panels of mediators and arbitrators used by the agency are composed of experienced dispute resolution specialists.

- ***Adaptability to Changing Laws and Public Emergencies.*** At the onset of Shelter-In-Place Orders issued in March of 2020 due to the COVID-19 global pandemic, Project Sentinel quickly adapted to having Staff work from home and there were no delays in responding to inquiries. Project Sentinel rapidly implemented plans for online dispute resolution utilizing various web and video tools and began training mediators on these tools in April 2020. Project Sentinel continues to work with its jurisdictions and research methods of best providing its services to tenants and landlords. Project Sentinel has also been at the forefront of disseminating information to the public about new rental housing rules at the state and local level. In November 2019, the Agency hosted a roundtable discussion regarding the historic Tenant Protection Act of 2019 (aka AB 1482), that was well attended by local jurisdiction staff, tenant advocates, landlord groups and state representative staff.

- ***Housing industry support.*** Even if the Los Gatos Rent Dispute Resolution Program calls for mandatory mediation participation, it is still essential that all parties involved are willing to participate in the process. Because more than 85% of requests for assistance come from tenants, it is particularly important to ensure the willing participation of property owners in the process. Project Sentinel has established a solid working relationship with Tri-County Apartment Owners Association to deal with difficult landlords who are reluctant to participate in dispute resolution. Furthermore, Tri-County employees have directly solicited interpretations of the Los Gatos ordinance from Project Sentinel and have thanked the agency for its willingness to provide prompt and accurate responses.

- ***Process and Compliance evaluation.*** Project Sentinel strives for continuous quality improvement. The program maintains an extensive database on all cases, including demographics, types of disputes and their outcomes. Client surveys reveal a compliance rate over 90% with conciliated and mediated agreements and that over 90% of program participants would use the services again, if needed.

VI. REFERENCES

Anky Van Deursen

Anky.VanDeursen@mountainview.gov

City of Mountain View

298 Escuela Ave, Mountain View, CA 94043

Tel: (650) 903-6133

Services Performed: Administration of the Mountain View Tenant/Landlord Counseling and Mediation Program – Counseling and dispute resolution services for landlords, tenants, neighbors and families, consumers/merchants; Administration of the CSFRA Rent Stabilization Hearing Process and management of the Mountain View (CSFRA) Rental Housing Helpline

Christina Morales, Housing Division Manager

Christina.Morales@hayward-ca.gov

City of Hayward
777 B St, Hayward, CA 94541
Tel: 510-583-4243

Services Performed: Administration of the dispute resolution process including (mediations, meet and confer facilitations, and hearings) under the Residential Rent Stabilization Ordinance and the Mobile Home Space Rent Stabilization Ordinance; Rent Crisis Mediation Program for rent payment issues due to the COVID-19 emergency and related moratoria.

Minka van der Zwaag

Minka.VanDerZwaag@cityofpaloalto.org

City of Palo Alto
4000 Middlefield Road, Palo Alto, CA 94303

Services Performed: Administration of the Palo Alto Mediation Program - Counseling and dispute resolution services for landlords and tenants and Mandatory Mediation Program

VII. PROOF OF INSURANCE AND ENDORSEMENT FORM (See attached)

VIII. COPY OF FINANCIAL AUDIT (See attached)

LIST OF ATTACHMENTS:

- A. Outreach materials
- B. Petition forms to be used in program
- C. Copies of evaluation forms
- D. Statistical Overview of services
- E. List of Mediators/Arbitrators
- F. Staff Resumes
- G. Board Roster
- H. Organization Chart
- I. Board Authorization
- J. Bylaws
- K. Articles of Incorporation
- L. Proof of nonprofit status
- M. Audited Financial Statements
- N. Certificate of Insurance with Endorsements

ATTACHMENT A

ADDITIONAL RESOURCES

Rent Watch, a column for tenants and landlords written by Project Sentinel, appears in the Real Estate section of the *San Francisco Chronicle* and many other local papers.

More information on rental issues can be obtained from:

Project Sentinel Website:
www.housing.org

Every Tenant's Legal Guide, Nolo Press
www.nolo.com

California Landlord's Law Book, Nolo Press
www.nolo.com



If you think you have been subject to unlawful discrimination, call Project Sentinel's fair housing services at (650) 321-6291.

Who is my property owner? To find out, call the Santa Clara County Assessor's office, at: (408) 299-5500 or www.sccassessor.org



Administered by
Project Sentinel
1490 El Camino Real
Santa Clara, CA95050



www.housing.org



THE LOS GATOS RENTAL DISPUTE RESOLUTION PROGRAM

RENT INCREASES
REPAIRS AND MAINTENANCE
CHANGE OF TERMS
EVICTIONS
DEPOSITS

CALL

(408) 402-0307

Services are
confidential,
neutral and free

**For all Los Gatos
residents**

WHAT IS PROJECT SENTINEL?

Project Sentinel, a non-profit agency, provides information and dispute resolution services to tenants, mobile home owners, and landlords.

Project Sentinel answers questions and helps to resolve disputes such as deposits, repairs, rent increases, nonpayment of rent, other rental housing and mobile home park issues.

We also provide information and referral for subsidized and affordable housing, as well as counseling on first time home buying and mortgage default.

WHAT HAPPENS WHEN I CALL PROJECT SENTINEL?

A housing counselor works with you to help you resolve your situation, by answering your questions, providing you with information, and discussing possible solutions.

Comprehensive services include:

- Information & Counseling, description of rights and responsibilities for all parties;
- Resource Referrals;
- Administration of Petitions filed under the Rental Dispute Program, including forms and copies of the Ordinance and supporting Regulations

RENT CONTROL IN LOS GATOS

Within the Town limits, the Los Gatos Rental Dispute Ordinance and supporting Regulations limit rent increases in certain residential rental properties.

- This program applies to properties with 3 or more rental units, and to mobilehome parks.
- In these properties, rent can only be increased once a year, and is generally limited to a 5% ceiling.
- However, landlords are allowed to increase the rent beyond 5% under certain limited conditions arising from increased costs.
- Otherwise valid rent increases can be challenged if there has been a Service Reduction, which is a failure to provide basic services such as adequate plumbing or other requirements of habitability.

The program resolves disputes through a three-step process.

- After a case is opened, program staff contact both sides to conciliate the dispute over the telephone.
- If conciliation is unsuccessful, a tenant can request mediation. In the mediation, a neutral professional meets with both sides in a confidential discussion to facilitate a settlement.
- If mediation fails to resolve the dispute, a tenant may request binding arbitration.

The program is administered by Project Sentinel as the Town's designated Agent. To find out more about the program and the forms to open a case, contact Project Sentinel at 408-402-0307. Additional information is also available on the Town of Los Gatos website.

GUIDELINES FOR TENANTS AND LANDLORDS

Tenants Should:

- Read the rental agreement or lease carefully, and comply with its terms, including paying the rent on time;
- Maintain the property in good condition, and notify the landlord promptly if repairs are needed;
- Safeguard against damage to the property caused by themselves or their guests.

Landlords Should:

- Comply with the terms of the rental agreement or lease;
- Make repairs promptly;
- Give proper written notice for changes in rent or rental terms, or when entering onto the property;
- Offer a pre-departure joint inspection;
- Return security deposits, with an explanation for any deductions, within 21 days after the tenant vacates. Provide receipts if the deductions exceed \$125.

Everyone Should:

- Record all agreements in writing, and keep copies in a safe place;
- Jointly complete a checklist of the condition of the property at the move-in.



ATTACHMENT B

Los Gatos Dispute Resolution Program

c/o Project Sentinel
1490 El Camino Real
Santa Clara, CA 95050

Tel: 408-402-0307x8016

Fax: 408-408-216-9968

E-mail: mediate4us@housing.org

FREQUENTLY ASKED QUESTIONS ABOUT THE LOS GATOS RENTAL DISPUTE RESOLUTION PROGRAM

1. What services are available through the Rental Dispute Program?

The program offers confidential counseling and information services to both tenants and landlords in all rental housing situations. The program provides telephone conciliation services for dispute resolution in rental properties with two or more units. Mediation and arbitration processes are available when there are three or more units. All services are confidential and neutral. The services are only available for properties located within the Los Gatos Town limits, and only for rental housing, not commercial, units.

2. What kinds of rental disputes are subject to the mediation and arbitration procedures; what kinds of disputes are not covered?

The program's rental dispute procedures are available for any type of dispute between a current tenant and the landlord. These include rental increases, repairs and maintenance, and invasion of privacy. However, the program cannot interfere with pending unlawful detainer actions. The program does not cover cases when the tenant no longer lives in the premises giving rise to the dispute, for example where there is a dispute about failure to return a security deposit, or after a tenant has been evicted, unless there is an issue of retaliation.

3. Is there any charge for any of the program services?

All services are free to the parties, both tenants and landlords. The program is funded by a fee paid by owners of multi-unit rental properties.

4. Which rental properties are subject to rent control?

Rent control limits only apply to properties with three or more rental units. The limits only apply to current tenants. They do not apply to new tenants moving into units which are vacant due to a voluntary departure by the prior tenant, or which are vacant because the prior tenant violated the applicable rental agreement or lease.

5. What kinds of rent increases can be disputed in rent control properties?

The rent for existing tenants can never be raised more than once a year, regardless of the amount of increase, unless the affected tenants voluntarily agree to the increase. An annual increase of 5%, or 70% of the applicable C.P.I., is presumed valid, and is not subject to being disputed. A landlord seeking to institute an annual increase rent beyond the 5% level must justify the increase under the "pass-through" formulas, if the tenants file a challenge with the Dispute Resolution Program. These pass-through formulas are the only justifications for annual

increases beyond the 5% limit, unless there has been no increase for the last two years. In that situation, the landlord is permitted to institute a 10% increase without dispute.

6. What are the “pass-through” formulas?

There are two basic formulas. One formula permits rent to be raised beyond 5% when the operations and maintenance expenses on the property have increased during the most recent twelve months, when compared to the preceding twelve months. The second formula permits a pass-through of a portion of the debt when the debt service on the property has increased in the most recent twelve months. For both formulas, the increase in operations or debt is pro-rated for the entire property. The specific factors included in the formulas, and a worksheet to calculate the formulas, are available from the Dispute Resolution Program.

7. What are the applicable twelve month periods used to calculate pass-through formulas?

The calculations must be based on the twelve and twenty-four month periods immediately prior to the date of the rental increase, or alternatively, a date no more than sixty days before the actual increase.

8. When calculating the pass-through formula for increased operation costs, what is the difference between operating expenses, capital improvements and rehabilitation expenses?

Operating expenses are the normal expenses reasonably necessary to maintain the current value of the property, such as utilities, insurance, janitorial, pool maintenance, or landscape contractors. Capital improvements are changes that increase the value of the property such as building a swimming pool or adding a parking garage. Capital improvement costs must be amortized over a five year period. Rehabilitation costs are limited to those required by government order, or which are necessary to repair damage such as fire or earthquake. These costs must be amortized over a three year period.

9. What information must be included in a notice of rent increase?

A notice must inform the affected tenant or tenants of the right to use the Dispute Resolution Program, and it must also include the name, address, telephone, and fax of the Program. A notice which fails to list the name and correct telephone number of the Program is invalid. A notice that fails to include the remainder of the required information is valid, but the time limit for the affected tenants to file a petition disputing the increase is extended from sixty days to six months.

10. How many tenants must join in a rental increase case, and how can I find out how many other tenants received a notice of rent increase?

Petitions seeking to dispute a rental increase must be signed by at least 25% of the affected tenants. In order to find out the names of any other tenants who received the same increase

notice, a tenant has the right to give the landlord a written request for the apartment numbers of all other affected tenants.

11. What rental amount does a tenant pay while a case is pending over a rental increase?

While a case is pending, the affected tenant or tenants pay the rate in effect prior to the increase, plus 5%. At the time the case is concluded, the tenant will be obligated to retroactively pay any additional increase amount that is ultimately upheld in mediation or arbitration. If an amount less than the interim amount is ultimately determined to apply, the landlord will be obligated to refund the difference.

12. What is a “service reduction” case?

Whether or not there has been an actual rent increase, tenants in properties with three or more units can file a petition seeking a decrease in rent based on an allegation of service reduction. This type of case only applies to a landlord’s failure to provide fundamental levels of service, such as adequate heating, basic plumbing, or vermin elimination. Routine maintenance problems, such as failure to repair a light fixture, can form the basis for a dispute resolution petition, but do not support a service reduction case. The details of the alleged service reduction must be described in the petition, along with several other special requirements. These details are available from the Dispute Resolution Program.

13. Are tenants protected against retaliation?

If a tenant believes that he or she has been subjected to retaliation because of invoking this rental dispute program, a petition can be filed with the Dispute Resolution Program. The agency will conduct a preliminary investigation and refer the case to the Town Attorney if there is evidence to support the claim. An eviction or termination notice is presumed to be retaliatory if issued within six months of the date a tenant utilized the program.

14. How do I get more information?

For counseling or more information, contact the Los Gatos Dispute Resolution Program at 408-402-0307 x 8016. This Program is administered by Project Sentinel, a non-profit agency contracted by the Town of Los Gatos. A full copy of the applicable ordinance and regulations, the forms necessary to process a case, and a worksheet for calculating a pass-through increase are all available.



**Los Gatos Rental Dispute Resolution program
Project Sentinel**

1490 El Camino Real, Santa Clara, CA 95050
(408) 402-0307 mediate4us@housing.org
www.housing.org

CONFIDENTIAL DEMOGRAPHIC DATA FORM

In order to meet our agency's various reporting requirements to the government agencies that fund our services, we request that you return the following attachment with your Petition. The identifying information and other content will not be disclosed to any person or entity, and only the actual statistical data will be entered in our reporting documents.

Number in Household: _____

Total Family Income: _____

I am a senior (60 years old or older)

I have a disability

Please complete BOTH of the following:

Hispanic or

Non-Hispanic

And

I would place myself in one of the following racial categories:

White

Pacific Island

Asian

Asian & White

American Indian

American Indian & White

African American

African American & White

American Indian, African American & White

Other

ATTACHMENT C

PROJECT SENTINEL MEDIATION PROGRAM
1490 El Camino Real, Santa Clara 95050

Case No.: 35948
Date: 1.30.2020

CONFIDENTIAL MEDIATION EVALUATION

Thank you for utilizing our Mediation Program. This program exists to serve the needs of your community. Your input is essential to our ability to evaluate the performance of the program. Please take a few minutes to complete this survey and return it in the enclosed envelope. Any identifying information in your response will be maintained by this agency in the strictest confidence.

1. How would you rate the overall quality of your contacts with the office staff?

Excellent Good Fair Poor

2. How would you rate the overall quality of your contacts with the mediators?

Excellent Good Fair Poor

3. Overall, were you satisfied with the mediation process?

1 Not at all 2 3 Somewhat 4 5 Definitely

Comments: Mediator was extremely helpful even if we didn't

4. Did you and the other party reach an agreement as a result of the mediation?

Yes No Partially Still pending

get what we hoped for.

5. If yes, were you satisfied with the agreement that resulted from the mediation?

1 Not at all 2 3 Somewhat 4 5 Definitely

Comments: Not for lack of mediator's efforts

6. Would you use or recommend the mediation program to others in the future?

Yes No Maybe

7. If mediation had not been available, what action would you have taken to resolve this situation?

Court (small claims/other) Law Enforcement Govt/Public Agency
 Other (specify): _____ Attorney Code Enforcement

8. What was your status in this matter?

Tenant Landlord Neighbor Other (specify): _____

Final Comments: Really appreciate the program

PROJECT SENTINEL MEDIATION PROGRAM
1490 El Camino Real, Santa Clara 95050

Case No.: 35948
Date: 1/30/2020

CONFIDENTIAL MEDIATION EVALUATION

Thank you for utilizing our Mediation Program. This program exists to serve the needs of your community. Your input is essential to our ability to evaluate the performance of the program. Please take a few minutes to complete this survey and return it in the enclosed envelope. Any identifying information in your response will be maintained by this agency in the strictest confidence.

1. How would you rate the overall quality of your contacts with the office staff?

Excellent Good Fair Poor

2. How would you rate the overall quality of your contacts with the mediators?

Excellent Good Fair Poor

3. Overall, were you satisfied with the mediation process?

1 2 3 4 5
Not at all Somewhat Definitely

Comments: _____

4. Did you and the other party reach an agreement as a result of the mediation?

Yes No Partially Still pending

5. If yes, were you satisfied with the agreement that resulted from the mediation?

1 2 3 4 5
Not at all Somewhat Definitely

Comments: _____

6. Would you use or recommend the mediation program to others in the future?

Yes No Maybe

7. If mediation had not been available, what action would you have taken to resolve this situation?

Court (small claims/other) Law Enforcement Govt/Public Agency
 Other (specify): _____ Attorney Code Enforcement

8. What was your status in this matter?

Tenant Landlord Neighbor Other (specify): _____

Final Comments: Thank you for your efforts!

PROJECT SENTINEL MEDIATION PROGRAM
1490 El Camino Real, Santa Clara 95050

Case No.: 35948
Date: 1/30/2020

CONFIDENTIAL MEDIATION EVALUATION

Thank you for utilizing our Mediation Program. This program exists to serve the needs of your community. Your input is essential to our ability to evaluate the performance of the program. Please take a few minutes to complete this survey and return it in the enclosed envelope. Any identifying information in your response will be maintained by this agency in the strictest confidence.

1. How would you rate the overall quality of your contacts with the office staff?

Excellent Good Fair Poor

2. How would you rate the overall quality of your contacts with the mediators?

Excellent Good Fair Poor

3. Overall, were you satisfied with the mediation process?

1 2 3 4 5
Not at all Somewhat Definitely

Comments: _____

4. Did you and the other party reach an agreement as a result of the mediation?

Yes No Partially Still pending

5. If yes, were you satisfied with the agreement that resulted from the mediation?

1 2 3 4 5
Not at all Somewhat Definitely

Comments: _____

6. Would you use or recommend the mediation program to others in the future?

Yes No Maybe

7. If mediation had not been available, what action would you have taken to resolve this situation?

Court (small claims/other) Law Enforcement Govt/Public Agency
Other (specify): _____ Attorney Code Enforcement

8. What was your status in this matter?

Tenant Landlord Neighbor Other (specify): _____

Final Comments: Mediation's purpose is to bring parties together for a possible resolve. Project Sentinel met its goals. Thanks.

ATTACHMENT D

ACTIVITY per FY ending:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	7/2001 to date
Initial Calls Handled	416	280	476	532	420	358	337	183	193	191	239	242	278	338	291	241	243	183	110	5551
Informational Packets Provided	69	32	81	62	137	107	103	39	28	35	58	56	50	50	36	45	39	11	12	1050
Cases Opened	36	15	19	22	27	38	59	20	7	17	23	40	37	57	25	20	57	21	23	563
Cases Conciliated resulting in agreement	15	7	11	11	19	14	15	6	2	6	6	1	10	11	4	4	4	4	0	150
Cases Mediated resulting in agreement	4	6	1	3	3	9	20	2	2	0	15	30	4	7	3	2	6	1	2	120
Cases Arbitrated	3	1	3	0	0	3	0	2	0	0	1	2	1	0	1	0	0	0	0	17
Cases Closed as Counseled	12	1	4	8	0	12	14	5	3	7	1	6	18	27	15	2	7	2	17	161
Counseled cases that were resolved	0	0	0	0	0	7	4	0	1	1	1	0	10	28	12	8	17	7	3	99
Currently Pending as of the end of the Q	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	5	0	6	2	16

ATTACHMENT E



Project Sentinel
Dispute Resolution Programs

1490 El Camino Real
Santa Clara, CA 95050

www.housing.org | (408) 470-3735

Mediator/Arbitrator Panel

Martin Eichner (415) 987-5397

Martin Eichner has been a mediator for more than 25 years. He has conducted more than 450 mediations and facilitations, in a variety of different programs. Prior to beginning his dispute resolution career, he was an attorney in private practice for a number of years. He has significant relevant rental housing dispute resolution experience. In addition to serving as a Hearing Officer and Hearing Examiner for the rent stabilization programs in the Cities of San Jose, East Palo Alto and Mountain View, , he serves as mediator and arbitrator for the rent stabilization programs in Los Gatos and Hayward. Martin was the Director of Dispute Resolution Programs for Project Sentinel from 2001 until 2013 and in that role, he was responsible for local tenant-landlord and community mediation programs in twelve different Northern California jurisdictions. One of these programs included the administration of the Los Gatos Rental Dispute ordinance, and three others were based on “mandatory” rental dispute ordinances. He has also been a mediator for the United States Postal Service since 1995. Martin designed, then provided oversight and participation in the Santa Clara County Superior Court Unlawful Detainer “Day of Trial” mediation program from September 2009 through March 2011, when the funding for the program had been expended. Martin teaches an annual 40-hour community mediation training and has held facilitation and conflict management workshops for local jurisdictions, various non-profits and housing industry groups. He has also conducted trainings on landlord and tenant rights and responsibilities for the Superior Court Small Claims judges, and various local government jurisdictions as well as rental housing industry groups. Martin holds a J.D. from Stanford Law School.

Sandra DeLateur (408) 204-4869

Sandra DeLateur has been an attorney for over 40 years, primarily in the areas of insolvency and collection work, and has been a mediator, facilitator, and arbitrator for the past 25 years. Sandra DeLateur was the Director of the Tenant/Landlord Counseling and Dispute Resolution Programs for Project Sentinel from 2016 to 2018. During her time at Project Sentinel, she oversaw the renewal of the Unlawful Detainer Court facilitation program which currently operates to resolve eviction matters. In addition to being a Hearing Officer for Mountain View’s rent stabilization program, she serves as mediator and arbitrator for the rent stabilization programs in Los Gatos, Hayward, and the Santa Clara County Bar Association Fee Arbitration program. Sandra is a court-approved mediator for the Superior Court and Bankruptcy Court and serves as a volunteer temporary judge for Santa Clara County Superior Court Small Claims cases. Santa Clara Superior Court appointed Sandra to the Court’s ADR Committee for the 2019-

2020 term. She also instructs first-time as well as advanced mediation students as a way to support quick, timely, and cost-effective dispute resolution in the community. Sandra is a graduate of the Vanderbilt University School of Law and received her B.A. from U.C. Berkeley.

Barbara Anscher (510) 387-4490

Barbara Anscher is an attorney with over 30 years of experience and has been a dispute resolution professional since 1998, devoting herself full-time to dispute resolution since 2004. Her expertise in arbitration encompasses securities law, commercial contracts, lemon law, attorney-client fee disputes, landlord-tenant, rent control and real estate. Her mediation experience covers real estate, landlord-tenant, rent control, commercial contracts, consumer law, and adoptions. Barbara serves as a mediator, arbitrator and/or Hearing Officer on panels for Consortium for Children, Better Business Bureau, FINRA, Alameda County Superior Court, Bar Association of San Francisco, California Association of Realtors, Conflict Intervention Service, City of Mountain View, City of Union City and City of Hayward. Since 2004, Barbara has served as a Volunteer Judge Pro Tem for San Francisco Superior Court, conducting settlement conferences for unlawful detainer cases. In addition to holding a J.D. from Stanford Law School, Order of the Coif, Barbara earned a B.A. in English from Stanford and an M.A. in English from UCLA.

Derek W. Chantler (650) 250-5332

Derek W. Chantler is an attorney whose legal work focuses on a wide array of areas, including real estate litigation and contractual disputes. Derek's practice has emphasized real estate dispute resolution, focusing on landlord-tenant disputes. As one of the few attorneys who consciously chooses to accept representation of landlords and tenants alike, Derek has developed a holistic, balanced perspective that has led to successful outcomes for each of his clients, with an eye to minimizing displacement while also protecting the rights of property owners. For more than the five years, Derek's practice has emphasized his role as Hearing Examiner for the cities of East Palo Alto, Alameda, Mountain View and Cupertino. For each city, Derek adjudicates petitions or appeals filed by members of the public from administrative decisions. In that quasi-judicial capacity, Derek conducts evidentiary hearings and issues substantive, binding legal decisions resolving disputes about the rights and responsibilities that landlords, tenants and their agents have under local housing laws. Derek has also played a key role in developing administrative regulations for the local housing laws. In addition to these jurisdictions, Derek also serves as a Mediator for the City of Hayward's Virtual Mediation Program, implemented to address issues arising during the COVID-19 crisis. Because law is Derek's second career, his varied pre-law work allows him to provide his clients a unique mix of legal counseling and real-world common-sense advice. Derek has a J.D. from Golden Gate University School of Law.

ATTACHMENT F

ATTACHMENT F

PROJECT SENTINEL SELECTED STAFF SUMMARY RESUMES

All staff in the Landlord-Tenant/Dispute Resolution department participated in a 40-hour mediation training program prior to joining Project Sentinel or are required to attend a 40-hour training once they are hired.

Elizabeth Guzman, *Director of Dispute Resolution Programs*, has been with Project Sentinel almost three years and has worked in mediation and project management since 2010. Prior to her career in dispute resolution, she worked as a planner, advising municipalities on their environmental impacts. At Project Sentinel, Elizabeth Guzman is the director of Dispute Resolution Programs overseeing 18 Landlord/Tenant Counseling and Mediation contracts. Elizabeth is a graduate of Monterey College of Law.

Emily Hislop, *Rent Stabilization Programs Manager*, has been with Project Sentinel for over four years and manages the hearing processes for Mountain View's and Hayward's rent stabilization programs. Emily also keeps the Agency staff apprised of changes to landlord-tenant laws at the Federal, State and local level. She is an attorney and seasonal dispute resolution professional with several years of civil litigation and mediation experience. She is well-versed in California landlord-tenant laws and administration of local rent stabilization programs. Emily received her J.D. from Santa Clara University. Bilingual.

Michael Dittmer, *Rent Stabilization Analyst*, has been with Project Sentinel for just shy of a year. He has a year and a half of experience on analyst work and a year of experience in management. He is proficient in Office Applications. Michael received in B.A. in Political Science from the UC Berkeley.

Monica Wercinski, *Mediation Case Manager*, has been working for Project Sentinel for over four years. She is an experienced mediator, facilitator and trainer in Conflict Resolution and Mediation. She has over 200 hours of Dispute Resolution/Conflict Management training and has successfully conducted over 100 mediations. She received her B.A. in Sociology with Honors from San Jose State University. Bilingual.

Ann Marquart, *Executive Director*, has been the Executive Director of Project Sentinel, Santa Clara, CA, since 1978. Over the years, Ann expanded the agency from one office and two staff members to seven (7) offices and thirty-five (35) employees. She works to diversify agency services to include housing counseling, mortgage foreclosure assistance, and dispute resolution. Ann received her Bachelor's degree, with honors, in Journalism from the University of California at Berkeley in 1971 and a Master's degree in Criminal Justice Planning from the State University of New York in 1972. Ann was the recipient of the Clarence R. Johnson, Sr., Award for Inspirational Leadership in Promoting Fair Housing and Equal Opportunity (2003), and the Fair Housing Initiative Program Partnership Award (2004).

ANDREA ELLIOTT, CPA

PROFESSIONAL EXPERIENCE

Controller 2008-Present

*Financial Administrative Support Services,
The Health Trust, San Jose, CA*
California nonprofit public benefit corporation

Provide comprehensive accounting and financial services to other nonprofit organizations, including full scope accounting and financial reporting in accordance with GAAP, endowment accounting and reporting, budget management and analysis, staff financial training, attendance at finance committee meetings, and support and interface with auditors.

Controller, Accounting Manager, Special Projects Manager 1990-2008

San Jose Water Company, San Jose, CA
\$200 million publicly-traded water utility serving the San Jose metro area

Functional responsibilities included directing and supervising a staff of nine and all accounting department functions for parent and three subsidiaries, maintaining fiscal records, establishing and maintaining budgetary controls and procedures, financial reporting under GAAP, tax, and regulatory environment, cash management, all federal, state and local tax compliance, and accounting system implementation and maintenance.

Controller 1989-1990

TKG International (formerly The Kontrabecki Group, Inc.), Cupertino, CA
Commercial real estate and development company

Performed all accounting functions, income tax planning and return preparation, cash management and budgeting for the Corporation and seven real estate partnerships. Interface with general and limited partners, lenders, escrow officers, tenants, subcontractors, and banking institutions.

Senior Staff Accountant, Tax Department 1987-1989

Ernst & Young, (formerly Arthur Young & Company), San Jose, CA
International CPA Firm

Responsibilities included preparation and review of corporate, partnership and individual income tax returns, preparation of corporate tax provisions, tax research and client billing. Experience also included four months of financial auditing.

EDUCATION, PROFESSIONAL CERTIFICATIONS

Certified Public Accountant- *California State Board of Accountancy*

E-Commerce Management Certificate- *SJSU Professional Development*

B.S. with Great Distinction, Business Administration, Accounting- *San Jose State University*

PROFESSIONAL MEMBERSHIPS

California Society of Certified Public Accountants 1992-Present

American Institute of Certified Public Accountants 1992-Present

COMMUNITY SERVICE

YWCA of Silicon Valley Board Member, Treasurer 2004-2012

Branham Home & School Club Board Member, Treasurer 2010-Present

Fammatre Home & School Club Board Member, Treasurer, Auditor 2002-2008

SJIVC Employees' Community Fund, Inc. Incorporator, Board Member, Treasurer 2004-2005

Emily Staats Hislop

SKILLS SUMMARY

Attorney and seasoned dispute resolution professional. Several years of civil litigation experience. Well-versed in California landlord-tenant laws and administration of local rent stabilization programs. Strong writing and organizational skills. Near fluency in Spanish, oral and written.

CURRENT EXPERIENCE

Rent Stabilization Programs Manager, Project Sentinel (Santa Clara, CA) 5/2016 – present

Regulatory/Legislative Specialist. Research and keep up-to-date on federal, state, court and local legislation affecting tenants/landlords and dispute resolution. Educate agency Staff regarding new laws and inform the agency's contract jurisdictions as necessary. Develop new programs to respond to legislative changes.

Hearing Process Administrator, rent stabilization programs of Mountain View, Hayward and Los Gatos responsibilities include:

- recruiting, training, and maintaining panels of qualified hearing officers, arbitrators and mediators
- drafting documents, order templates and notices and establishing procedures to efficiently implement hearings on tenant and landlord petitions in compliance with local and state laws
- educating hearing officers and arbitrators on rent stabilization laws and any attendant regulations; performing legal research as necessary; reviewing written decisions and orders
- supporting hearing officers and arbitrators in maintaining the hearing record, communicating with parties and holding hearings.

Manager, Mountain View Rental Housing Helpline. Responsibilities include:

- having expertise in Mountain View rent stabilization and related ordinances, and CA landlord-tenant laws
- counseling and educating landlords, tenants and the community regarding the CSFRA and related rental housing laws
- conciliating disputes between landlords and tenants
- tracking statistics regarding inquiries to the Helpline
- preparing regular and ad hoc reports for the Rental Housing Committee and City Council

Administrator, Mountain View Rental Housing Dispute Resolution Program (*superseded by the CSFRA in 2017*). Accomplishments included:

- establishing procedures and drafting documents and to administer the newly enacted three-stage mandatory dispute resolution program
- providing education and outreach to the public in English and Spanish, as well as maintaining and training a panel of mediators and arbitrators
- successfully conciliating numerous rental housing disputes between tenants and landlords/property managers during the program's tenure

PRIOR EXPERIENCE

Attorney; Law Clerk, Cornerstone Law Group/Tierney Watson & Healy (SF, CA) 8/2004 – 1/2014

Prior to admission to the State Bar, under the supervision and direction of attorneys, responsibilities included:

- drafting litigation documents such as complaints, motions, and discovery requests and responses, as well as communications to clients and opposing counsel
- performing legal research at the request of supervising attorneys

- conducting asset searches of judgment debtors
- performing tasks related to judgment enforcement, including obtaining Writs, filing liens, arranging for levies, drafting post-judgment discovery and motions for assignment
- calendaring motion and filing deadlines, coordinating the filing of motions with supporting documents and exhibits and ensuring proper service and filing requirements were met

Paralegal, Dresdner RCM Global Investors LLC (SF, CA)

12/1998 – 7/ 2002

Legal administrator for several investment companies and advisers. Duties included:

- reviewing, updating and editing various SEC filings
- researching requirements and preparing various corporate filings and press releases for the fund companies
- coordinating the preparation, solicitation, distribution and tabulation of proxies for the funds' stockholders' meetings
- attending, scheduling and preparing materials for board meetings
- worked on three separate fund company mergers, including researching federal, state and NYSE regulations filing and reporting requirements
- managed and maintained SEC investment adviser registrations for several entities, including preparing annual and periodic updates
- maintained business insurance policies and financial institution bonds for the companies and its subsidiaries, including completing applications and maintaining compliance with ERISA and Investment Company Act of 1940 requirements

EDUCATION AND OTHER CREDENTIALS

Santa Clara University - J.D.

University of California, Davis - B.A. *majors in International Relations and Spanish*

California State Bar no. 274070; member, Real Property CLA Section

Admitted to the U.S. District Court (N.D. Cal.)

Completed 40 hour community mediation training, advanced mediation trainings and facilitator training; provide support and coaching at trainings for new mediators

Volunteer mediator since 2012

Pro Bono Project Award; Vice President, Student Bar Association, Santa Clara University School of Law

ELIZABETH GUZMAN

Contact Information

address: 710 Riverside Avenue #5
Santa Cruz, CA 95060

cell phone: 406-407-5214

e-mail: elizabeth.r.guzman@gmail.com

Education

major: Law
Juris Doctorate, May 2015
*Monterey College of Law,
Seaside, CA*

major: Planning, Public Policy
and Management
Bachelor of Arts, June 2003
University of Oregon, Eugene, OR

major: Geography
Bachelor of Science, June 2002
University of Oregon, Eugene, OR

Skills

Mediation
Facilitation & Training
Consensus Building
Conflict Coaching
Technical Assistance
Spanish Language
Technical & Legal Writing
Environmental Assessment
CEQA/NEPA Analysis
Social Media
Water Safety & Surf Instruction

Professional Experience

Instructor & Mediator, Conflict Resolution Center of Santa Cruz County

Santa Cruz, CA September 2015 to Present

- Own and drive complete training process from content creation to delivery.
- Designed diversity and cultural competency curriculum for annual mediation course estimated to impact 150 people and 50 organizations over the next 5 years.
- Led investigation of large-scale workplace dispute, interviewed over 30 community members and staff, prepared reports, presented findings to board committees and facilitated dialogue amongst impact parties to reach new understandings. Performed analysis on complex discrimination issues and allegations while maintaining neutrality, objectivity and confidentiality.

Paralegal, Law Office of Sara Lipowitz

Santa Cruz, CA April 2015 to July 2015

- Quickly mastered bankruptcy processing software system, office procedures and filing system to ensure seamless transition from previous paralegal to office closure.
- Processed notice documents in compliance with federal bankruptcy laws for over 30 cases.
- Interviewed over 25 prospective clients to determine appropriateness for bankruptcy filing.
- Oversaw, coordinated and ensured 10 clients obtained social security benefits.

Domestic Violence/Collections Legal Clinic Clerkships, Monterey College of Law

Seaside, CA July 2014 to September 2014

- Won temporary restraining order approval on three cases of domestic violence using effective interview techniques, affidavit preparation and oral advocacy.
- Explained and interpreted the laws, policies and rules of Civil Harassment and Collections to clinic participants to assist in case preparation.

Program Director, Mandell Gisnet Center for Conflict Management

Seaside, CA January 2013 to August 2014

- Leader of administrative operations. Drove a streamlined operations department for court and community mediation programs, settling on average 20% of cases from Judge's docket on each weekly Eviction and Small Claims calendar, saving the court time and resources.
- Interviewed disputants, investigated cases and prepared case management reports prior to a mediation for over 50 cases.
- Developed an in-house manual for case managers and mediators in compliance with state rules and regulations regarding mediation.
- Instructed and directed work of student interns, volunteers and staff.
- Tracked, reported and analyzed participation/demographic data to ensure program objectives were met.

Program Coordinator, Mandell Gisnet Center for Conflict Management

Seaside, CA May 2011 to December 2012 & September 2014 to December 2014

- Mediated court, community, and workplace disputes with a 95% resolution rate.
- Led assessment of local water conflict and proposed solutions in a community setting by leading a team of 10 volunteer mediators to facilitate feedback from more than 350 citizens in a 6-month long regional impact study.
- Helped to secure Dispute Resolution Programs Act \$110,000 multi-year grant to provide viable mediation services in Monterey County.
- Managed and delivered a \$6,000 contract with Monterey Superior Court to teach conflict management skills to 250+ court staff.
- Negotiated over 100 agreements amongst disputing parties in Small Claims Court. Upon agreement, drafted sustainable, complete and binding agreements for Court approval.

Research Assistant, Human Rights Watch

Dakar, Senegal January 2010 to May 2010

- Assessed ethnic violence leading to human rights abuses by collecting and analyzing information from governments, local media, NGOs, journalists, diplomats and others in the field to assist in advocacy strategies to improve respect for human life.
- Wrote reports, press releases on human rights concerns in West Africa in a concise and accurate manner, with a quick turnaround time. Reports were used for submission to international entities, in response to queries from the press, the public and human rights colleagues.

Environmental Planner, Denise Duffy and Associates

Monterey, CA November 2005 to November 2009

- Managed complex environmental review processes that included staff oversight to meet project objectives, working directly with clients and stakeholders, and achieving critical project deadlines while staying within budget.
- Monitored and coordinated regulatory compliance of a 300-acre planned resort development. This project included coordination of 16 regulatory agencies, development and oversight of a 200k budget, management of multiple sub consultant reports, technical writing and preparation of compliance documents in accordance with federal, state and local regulations.
- Led and conducted scoping meetings for community groups, advisory committees and project stakeholders to focus attention and negotiate resolution to critical issues.

Building – Planning Technician

Seaside, CA November 2004 to November 2005

- Reviewed initial intake of both planning and building permit applications for accuracy and completeness and entered application data into City database and tracking system.
- Provided information orally and in writing to the public, other City departments and staff; advised and assisted the public in matters related to planning and building regulations and permit procedures.
- Provided technical support to Planners and assisted in initial plan checking for permit applications.
- Assisted Planners in production of briefing materials and packets for the Planning Commission and City Council.

Training

- Monterey College of Law, Legal Writing Courses, August 2012 - July 2014.
- Monterey College of Law, Advanced Mediation Training with Bill Monning – Overcoming Impasse, September 2013.
- Community Boards of San Francisco, Conflict Coaching Training, May 2013.
- Monterey College of Law, Divorce Mediation Training, March 2013.
- Community at Work, Group Facilitation Skills, December 2012.
- Conflict Resolution Center of Santa Cruz, Basic Mediation Training, May 2011

Michael Dittmer

Milpitas, CA

408-914-1785

michael.d.dittmer@gmail.com

Technical Skills

- **Data-Related:** R (Intermediate), SAS (Beginner), Excel (Intermediate), PocketSquare (Advanced)
- **Office-Related:** GSuite, Microsoft Office (Word, Powerpoint, Excel, Access)
- **CRM:** Salesforce, Pipedrive **Legal:** Lexis-Nexis, Pacer, InTapp **Marketing:** MixMax

Experience

New Business and Conflicts Analyst

Wilson, Sonsini, Goodrich and Rosati

Jan 2019-May 2019

- Performed risk management functions for law firm by vetting conflicts of interest requests, including daily 2-hour mailbox rush shift, received through InTapp server system
- Researched complete history of affiliates and subsidiaries for business entities (sometimes 300+ affiliates) when identifying conflicts of interests in WSGR database for M&A and litigation matters

Editorial Researcher

San Francisco Business Times

Jan 2018-Sept 2018

- Published 50+ lists/year of top industry players in Bay Area (e.g. top 25 law firms) for SF business newspaper by collecting/auditing survey data
- Published side stories (printed on side bars) based on 15 interviews with industry executives
- Analyzed data collected by utilizing Excel pivot tables and proprietary database
- Supplemented survey data with data from regulatory documents (e.g. SEC 10-K, S-1 filings, etc.)

Operations, Marketing, and Sales Manager

Shastic LLC

Jan 2017-Jan 2018

- Closed \$30K in new annual recurring revenue, plus another \$70K+ in renewals for SaaS startup selling mobile plug-in fintech software to credit unions and community banks
- Managed day-to-day client support by onboarding new clients (total 45-50 companywide)
- Boosted Shastic marketing efforts by authoring 2 marketing case studies based on client data

Data and Policy Analyst

Acumen LLC

Jun 2015-Sept 2016

- Authored and researched 7-10 healthcare policy memos to assist federal clients prosecuting fraud
- Managed day-to-day client support by tracking 15+ project deliverables in Microsoft Access
- Onboarded new team members by distributing, saving signed confidentiality/NDA agreements

Education

UC Berkeley - B.A. Political Science

May 2015, GPA 3.9

MONICA ACEITUNO-WERCINSKI
1459 LAMORE DRIVE, SAN JOSE, CA 95130
408-409-0672 • maceituno@sbcglobal.net

SUMMARY

Experienced facilitator, mediator and trainer in Conflict Resolution, Mediation, Anger Awareness, Victim Awareness and Positive Discipline. Fully bilingual in English and Spanish. Completed over 200 hours of Dispute Resolution/Conflict Management training. Successfully conducted over 100 mediations in the following areas: Community, Landlord/Tenant, Family, Juvenile, Restorative Justice and Victim/Offender, Small Claims and Civil Harassment Court cases.

PROFESSIONAL EXPERIENCE & ACCOMPLISHMENTS

Landlord/Tenant Case Manager 4/16 - Present

Project Sentinel, Santa Clara, CA

- Provide case management and conflict resolution services in Landlord/Tenant Disputes
- Maintain case management database records and information
- Fulfill logistical requirements for mediations

Mediator/Human Relations Coordinator, 01/14 - Present

Dispute Resolution Program Services, Santa Clara County, CA

- Successfully mediate and conciliated cases in the following areas:
 - *Civil Harassment, Small Claims, and Community cases*
 - *Juvenile Probation* (victim/youth-offender)
 - *Community cases* (neighborhood and family disputes)
- Coordinated Mediation Training Programs, managed financial and administrative records, and maintained data base

Bilingual Positive Discipline Parenting Facilitator, 8/12 - Present, Discovery Charter School, San Jose, CA

- Delivered Trainings in areas of Positive Discipline and Conflict Resolution

Landlord/Tenant Bilingual Mediator, 11/04 - 8/07

Project Sentinel, Sunnyvale, CA

- Successfully mediated bilingual Spanish and English cases in Landlord/Tenant Disputes

Mediator and Conflict Resolution Trainer, 01/00 – 8/02

Dispute Resolution Program Services, Santa Clara County, CA

- Implemented mediation, diversity and Juvenile Probation training programs including assisting in the delivery of 40-hour basic mediation course

- Trained, coached and mentored prospective mediators on techniques of mediation and conciliation in 40 Hour mediation training
- Trained elementary school children in Peer mediation throughout Santa Clara County
- Successfully mediated and conciliated Community, Family Court, Superior Court and Juvenile Probation cases

Facilitator and Trainer/Restorative Justice, 5/00 – 06/02

Probation Department, Santa Clara County, San Jose, CA

- Developed and facilitated monthly Anger Awareness and Victim Awareness trainings for youth and parents. Delivered trainings for English and Spanish speaking families.

Research Coordinator, 1999-2000

Office of Human Relations, Santa Clara County, San Jose, CA

- Coordinated and implemented Summit on Immigrant Needs Conference
- Researched quantitative and qualitative data, facilitated bilingual community meetings, developed and delivered policy recommendations

Program Manager/Ally, 1997-1999

Public Allies-Silicon Valley, San Jose, CA

- Selected to staff after completion of 10-month long leadership development program
- Supervised a team of AmeriCorps members in apprenticeships and team projects
- Organized and facilitated weekly leadership development workshops, retreats

Court-Appointed Child Advocate, 1997-2001

Child Advocates of Santa Clara County, San Jose, CA

- Represented the interests of children in foster care system court proceedings
- Assisted in training and development programs for new advocates

Technical Publications Specialist, 1991-1995

NASA Ames Research Center, Mountain View, CA

- Provided technical publication and coordination support for scientific conferences including the Mars Environmental Survey Project

EDUCATION

- B.A. in Sociology (Honors), San Jose State University, San Jose, CA 1996
- Languages: Bilingual Spanish
- Completed over 200 hours of Dispute Resolution Conflict Management Training

ATTACHMENT G

Project Sentinel Board of Directors

FY 2019-2020

Board Members

Board President

Rebecca Pickart, Appraiser
141 Gabarda Way
Portola Valley (Ladera) CA 94028
Wk: 650-380-0642
Hm: 650-854-5001
Fax: 650-614-3501
Voicemail: (650)594-8326
E-mail: Rpickart1@yahoo.com
Member since 1993

Board Secretary

Alleean Richter, Environmental
Engineer, Civic Leader
444-1E San Antonio Rd.
Palo Alto, CA. 94306
Hm: 650-493-6957
Cell: 650-906-4634
E-mail: ahrichter@gmail.com
Member since 2007

Board Treasurer

Gary Maggard, Senior Program
Manager
Lockheed Martin Corporation (Retired)
24100 Dawnridge Dr.
Los Altos Hills, CA 94024
Tel: 650-949-3779
E-mail: garymaggard@gmail.com
Member since 2006

Kay Kirkland

Retired DFEH Director
605 Acorn Ct.
Pacific Grove, CA 93950
Wk: 831-642-9434
Fax: 831-642-9434
E-mail: kkexpwit@redshift.com
Please call before faxing
Member since 1993

Fran Wagstaff

Former President and Founding
Director,
Mid-Peninsula Housing Corporation
2601 Cowper St.
Palo Alto CA 94306
E-mail: francawagstaff@gmail.com
Member since 2018

Dorothy Polash

Independent Philanthropy Professional
835 Westridge Dr
Portola Valley, CA 94028
Hm: 650-530-2085
Cell: 650-520-1953
E-mail: dpolash@yahoo.com
Member since 2011

Claude Nahum

Businessman
630 Princeton Drive
Sunnyvale CA 94087
(408) 594-1573
E-mail: claudenahum@gmail.com
Member since 2016

Erwin Ordonez

Community Development Professional
6056 Glen Harbor Drive
San Jose, CA 95123
(408) 636-3492
E-mail: therealeo@me.com
Member since 2019

Mike Zukin

JR Zukin Corporation
P.O.Box 1810
Los Gatos, CA 95031
O. 408-358-9500
C. 408-888-4100
F. 408-358-9509
E-mail: mzugin@meadowoutdoor.com
Member since 1999

ATTACHMENT H

**Project Sentinel
Eight-Member Board of Directors**

Ann Marquart
Executive Director

Julie Kling
Health Trust Controller

Annie Pan
Lead Attorney

Elizabeth Guzman
Director
Dispute Resolution Programs

Sharleen Kilgore
Director HUD Housing Counseling
Programs

Cristina Figueroa-Cortes
Director Fair Housing

Asst. Director of Fair Housing

Tenant/Landlord Counseling & Mediation Programs

HUD Housing Counseling Programs

Fair Housing Programs

Santa Clara Office
Tenant/landlord Counseling & Dispute Resolution Services
Mountain View, Palo Alto, City of Santa Clara, Cupertino,
Los Altos/Los Altos Hills, Milpitas, Campbell, Los Gatos,
Hayward, Sunnyvale and Santa Clara County

Gilroy Office
Tenant/landlord Counseling & Dispute Resolution Services
Gilroy, Morgan Hill, Unincorporated Santa Clara County

Fremont Office
Tenant/landlord Counseling & Dispute Resolution Services
Fremont

Modesto Office
Tenant/landlord Counseling & Dispute Resolution Services
In-Court Mediation Program, UD and Small Claims Advisory
Stanislaus County

Redwood City Office
Tenant/landlord Counseling & Dispute Resolution Services
County of San Mateo

Oversees multi-jurisdictional Professional Mediator Panels
Palo Alto & Mountain View Volunteer Mediator Panels

Milpitas Office
First Time Homebuyer Education, Debt counseling
Homebuyer 1:1 counseling & mortgage readiness
Mortgage delinquency and default
Reverse Mortgage counseling
Serving:
County of Stanislaus
County of Alameda
County of Merced
County of Monterey
County of San Benito
County of San Joaquin
County of San Mateo
County of Santa Clara

Santa Clara Office
Fair Housing Services
Investigation of Fair Housing complaints in
Northern, Central and Unincorporated Santa Clara County

Gilroy Office
Fair Housing Services
Investigation of Fair Housing complaints in
Gilroy, Southern Santa Clara County and Unincorporated
Santa Clara Co.

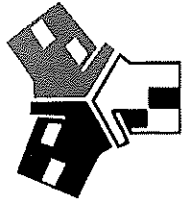
Fremont Office
Fair Housing Services
Investigation of Fair Housing Complaints in
Fremont

Modesto Office
Fair Housing Services
Investigation of Fair Housing Complaints in Turlock,
Modesto, Stanislaus Co., Merced

Redwood City Office
Fair Housing Services
Investigation of Fair Housing Complaints in
San Francisco and San Mateo County

Sacramento Office
Fair Housing Services
Investigation of Fair Housing Complaints in
West Sacramento and Sacramento County

ATTACHMENT I



***project
sentinel***

**Project Sentinel
Fair Housing Center**
1490 El Camino Real
Santa Clara, CA 95050
Phone: (650) 321-6291 Fax (650) 321-4173
info@housing.org

PROJECT SENTINEL BOARD OF DIRECTORS

Resolution

(a) RESOLVED, that ANN MARQUART, Executive Director be authorized to make, execute, endorse and deliver in the name of and on behalf of the corporation, but shall not be limited to, any and all written instruments, agreements, documents, contracts, and other instruments of whatever nature entered into by this Corporation.

Ann Marquart is authorized to submit funding proposals and to negotiate and sign contracts on behalf of the corporation including but not limited to the following city, county, state and Federal governments and private institutions:

City of Gilroy
City of Milpitas
City of Modesto
City of Mountain View
City of Palo Alto
City of Redwood City
City of San Jose
City of San Mateo
City of Santa Clara
City of South San Francisco
City of Daly City
City of Turlock
County of San Mateo
County of Santa Clara
Stanislaus County
U.S. Department of Housing and Urban Development
City of Sunnyvale
City of Merced
Sacramento Self Help Housing
Fair Housing Law Project
City of West Sacramento
City of Cupertino
City of Campbell

City of Cupertino
Town of Los Gatos
Santa Clara County Superior Court
Stanislaus County Superior Court
City of Hayward
Community Housing and Shelter Services
Sobrato Family Foundation
Palo Alto Housing Corp
Chase Bank
Wells Fargo Bay Area
Bank of America
Bank of the West
Boston Private
Presidio

This resolution was passed by a unanimous vote of the Board of Directors during its regular meeting on January 13, 2020.

Signed:  Date: 01/13/2020
Rebecca Pickart, Board President

ATTACHMENT J

**AMENDED AND RESTATED BY-LAWS
OF
PROJECT SENTINEL, INC.
A California Nonprofit Public Benefit Corporation**

Article I

- 1.01** Name. The name of the corporation shall be “Project Sentinel Inc.,” hereinafter referred to as “the corporation.”
- 1.02** Construction. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Public Benefit Corporation Law (the “Law”) shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, and the plural includes the singular and the term “person” includes both a legal entity and a natural person.

Article II

- 2.01** Purpose. The corporation has been formed to operate on a non-profit basis for charitable purposes to provide fair housing services, rental housing and mortgage counseling, and community dispute resolution services. The further purpose of this corporation is to develop and promote fairness and equality of opportunity for all persons regardless of race, color, creed, national origin, age, gender, marital status, physical or mental disability, sexual preference, familial status or any other arbitrary basis of discrimination, and to further provide services to the community which support peaceful resolution of disputes, and community welfare and harmony.

Article III

- 3.01** Principal Office/Other Offices. The Board of Directors may at any time establish the principal office of the corporation along with any branch and/or satellite offices at any place or places where the corporation is entitled to do business.

Article IV

- 4.01** Dedication of Assets. The properties and assets of this non-profit corporation are devoted to charitable purposes. No part of the net earnings, properties or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or director of this corporation. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to an organization dedicated to the same type of charitable purposes, provided that the organization continues to be dedicated to the exempt purposes as specified in the relevant sections of the Internal Revenue Code, including Section 501(c)(3).

Article V

5.01 Members. This corporation shall have no members.

Article VI

6.01 Powers.

- (a) General Corporate Powers. Subject to the provisions of the Law and any limitation in the articles of incorporation and these by-laws relating to action required to be approved, all corporate powers shall be available to the corporation and shall be exercised by or under the direction of the Board of Directors.
- (b) Specific Corporate Powers. Without prejudice to these general powers, and subject to the same limitations, the directors shall have the power to:
 - a. Select and remove all officers, agents, and the executive director of the corporation; prescribe any powers and duties for them that are consistent with the law, with the articles of incorporation, and with these by-laws and fix their compensation.
 - b. Change the principal executive office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to do business in any other state, territory or dependency, or country and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting, including the annual meeting.
 - c. Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, and other evidences of debt and securities.
 - d. Enter into contracts as necessary to conduct the business of the corporation.

6.02 Board Composition. So long as required by law, not more than forty-nine percent (49%) of the persons serving on the Board of this corporation may be "interested persons" as defined by Section 5227(b) of the Law. . To the extent possible, the directors shall be community representatives with knowledge of the programs and areas served by the corporation, and to the extent possible shall also reflect the ethnic and economic diversity of the communities served by the corporation. The Board shall be composed of a minimum of five (5) and a maximum of eleven (11) directors, with the exact number at any one time to be fixed by resolution of the Board of Directors.

6.03 Election of the Board of Directors.

The directors shall be elected in any manner authorized by law. The board of directors shall endeavor to adopt reasonable nomination and election procedures for the corporation.

6.04 Term, Resignation, and Removal of the Directors.

(a) Directors are elected to a term of two (2) years. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor is elected.

(b) The Board may declare vacant the office of a director who has been declared of unsound mind by a final order of a court, or convicted of a felony, or who has been found by a final order or judgment of any court to have breached any duty under Article 3 of Chapter 2 of the Law or any successor article thereto. Further, any or all directors may be removed without cause if the removal is approved by a majority of the directors then in office. Any vacancy occurring on the Board as well as any directorship to be filled by reason of an increase in the number of directors shall be filled by approval of the Board or, if the number of directors then in office is less than a quorum, by (i) the unanimous written consent of the directors then in office, (ii) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with Section 5211 of the Law, or (iii) a sole remaining director. A director elected to fill a vacancy shall hold office during the unexpired term of his predecessor in office and until his successor is elected.

(c) Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary or the Board of this corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective. However, except upon notice to the Attorney General, no director may resign if this corporation would then be left without a duly elected director in charge of its affairs.

6.05 Place of Meetings. Meetings of the board of directors may be held at any time and at any place within or outside of the state of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, designated from time to time by resolution of the board. In the absence of such designation, meetings will be held at the principal executive office of the corporation. . Any meeting, regular or special, may be held by conference call or similar communication equipment, so long as all directors participating can hear one another, and all such directors shall be deemed present at such a meeting. Any meeting, regular or special, may be held by electronic video screen communication or electronic transmission or any other method permissible by Law, so long as all directors participating in the meeting can communicate with all of the other members concurrently, and each director is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

6.06 Regular Meetings. Regular meetings shall be held at such a time as designated by the board of directors. The corporation shall endeavor to hold regular meetings on a quarterly basis. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

6.07 Special Meetings.

(a). Authority to call. The Chairperson or the President or any two directors shall have the authority to call a special meeting.

(b). Special meetings of the board shall be held upon four days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, including a voice messaging system or by electronic transmission by the corporation.

(c). All such notices shall be sent to the address and/or phone number or email address as shown on the records of the corporation. Said notice shall contain the time and place of said special meeting, but need not specify the purpose of such meeting.

6.08 Quorum. A simple majority of the number of authorized directors shall constitute a quorum. Every act or decision made by a majority of the directors present at any meeting where a quorum of the directors are present shall be regarded as an act or decision of the entire board, subject to the provisions of the Articles of Incorporation.

6.09 Waiver Of Notice Notice of any regular or special meeting need not be given to any director who either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporation records or made a part of the minutes of the meetings.

6.10 Action Without A Meeting. Any action that the board is required or permitted to take may be taken without a meeting if all board members consent in writing to the action, provided however, that the consent of any director who has a material financial interest in a transaction to which the corporation is a party need not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the board. "Writing" includes any electronic transmission by the corporation or electronic transmission to the corporation in accordance with Sections 20 and 21 of the Law.

6.11 Directors' Duty of Care. A director shall perform the duties of a director, including duties as a member of any committee of the Board upon which the director may serve, in good faith, in a manner such director believes to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (a) one or more officers or employees of this corporation whom the director believes to be reliable and competent in the matters presented; (b) counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or (c) a committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as, in any such case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

6.12 Directors' Duty of Loyalty.

(a) Subject to being able to comply with subdivision (d) of Section 5233 of the Law or any successor section thereto, prior to consummating a "self dealing transaction" or any part thereof, as defined by Section 5233 of the Law or any successor section thereto, either (i) the Board shall authorize or approve the transaction in good faith by a vote of a majority of the directors then in office without counting the vote of the interested director or directors and with knowledge of the material facts concerning the transaction and the director's interest in the transaction; and, further, prior to authorizing or approving a self-dealing transaction, shall consider and in good faith determine after reasonable investigation under the circumstances that this corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; and, further, the corporation

enters into the transaction for its own benefit, and the transaction is fair and reasonable to the corporation at the time the corporation enters into the transaction; or (ii) where it is not reasonably practical to obtain approval of the Board prior to entering into the transaction, a committee or person authorized by the Board shall approve the transaction in a manner consistent with the standards set forth in clause (i) of this Section. In the event the procedure of clause (ii) of this Section is followed, the Board, after determining in good faith that the conditions of clause (ii) of this section are satisfied, shall ratify the transaction at its next meeting by a vote of the majority of the directors then in office without counting the vote of the interested director or directors. The chairperson of the board or committee may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves or ratifies a self dealing contract or transaction.

(b) Subject to being able to comply with Section 5234(a)(2) of the Law, no contract or other transaction between this corporation and any domestic or foreign corporation, firm or association in which one or more of its directors are directors shall be authorized, approved or ratified by the Board or a committee of the Board unless the material facts as to the transaction and as to the director's or directors' common directorships are fully disclosed or known to the Board or committee of the Board, and the Board or a committee of the Board authorizes, approves or ratifies the transaction in good faith by a vote sufficient without counting the vote of the common director or directors.

(c) If the Board has reasonable cause to believe a director has failed to disclose actual or possible conflicts of interest, it shall inform the director of the basis for such belief and afford the director an opportunity to explain the alleged failure to disclose. If, after hearing the director's response and after making further investigation as warranted by the circumstances, the Board determines the director has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

ARTICLE VII

7.01 Committees Of The Board. The board of directors, by a majority vote, may designate one or more committees as necessary to meet the needs of the board. Committee members shall be appointed by the board for the time and purpose of any such committee.

(a) All committees shall report to the board of directors at any regularly scheduled meeting,

(b) Any committee shall serve for the time and purpose as set by the board,

(c) Committee reports requiring action by the board shall be presented at any regular special meeting,

(d) All meetings of board committees shall be bound by the same guidelines for meeting notice as the entire board of directors.

(e) A simple majority of committee members shall be required for action to be taken at any committee meetings,

(f) Minutes shall be kept of all committee meetings and filed with the corporate records of the board.

7.02 Ad-hoc, Advisory or Other Committees of The Board. Other committees not having or exercising the authority of the Board in the management of this corporation may be designated by a resolution adopted by the board. Each such committee may adopt rules for its own governance not inconsistent with the rules set forth by the Board in the resolution designating the committee.

ARTICLE VIII

8.01. Officers Of The Corporation The officers of this corporation shall be a Chairperson or President, Vice-Chairperson, Secretary, Treasurer, and such other officers as deemed necessary by the board of directors. Officers shall be elected by the board of directors at the annual meeting following the election of the board of directors, or at any other meeting if fixed in advance by written notice.

8.02 Responsibilities Of Officers

- (a) **Chairperson of the Board:** The chairperson of the board, if there be such an officer, shall, if present, preside at all meetings of the board of directors and shall perform all duties and powers as assigned to the chairperson by the board or as described within the bylaws.
- (b) **Vice-Chairperson:** The vice-chairperson shall, in the absence or disability of the chairperson, exercise all authority and perform all duties as granted to the chairperson by these by-laws.
- (c) **President:** Subject to such powers and duties, if any, as may be prescribed by these bylaws or the Board for the chairperson of the board, if there be such officer, the president shall be the general manager and chief executive officer of this corporation and shall, subject to the control of the Board, have general supervision, direction and control of the business and affairs of this corporation. He or she shall preside in the absence of the chairperson of the board or, if there be none, at all meetings of the Board. He or she shall have all of the powers and shall perform all of the duties which are ordinarily inherent in the office of the president, and he or she shall have such further powers and shall perform such further duties as may be prescribed for him or her by the Board.
- (d) **Secretary:** The secretary shall keep or cause to be kept these bylaws, and the minutes of all regular, special and/or committee meetings. The minutes shall contain a record of the time and place of the meeting, persons present, how the meeting was authorized, an agenda of the meeting, action taken at said meeting and any other proceedings of such meetings. The secretary shall keep or cause to be kept, at the principal office of the corporation, a record of all members of the board of directors.
- (e) **Treasurer:** The treasurer shall be the chief financial officer of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of all accounts and business transactions of the corporation. The chief financial officer shall send the financial statements or cause them to be sent. The books of the accounts shall be open to all members of the board at any reasonable time. The treasurer may be a signatory on checks and accounts for the corporation along with the Executive director or any other officer or person designated in writing by the Board of Directors. The chief financial officer shall deposit or cause to be deposited, all money and other valuables in the name of the corporation with such

depositories as the board may designate, shall disburse the corporation's funds as the board may order, shall render to the board an account of all transactions as chief financial officer and of the financial condition of the corporation, and shall have other powers and perform such duties as the board or bylaws may prescribe.

8.03. Selection and Removal Of Officers The officers of this corporation shall be chosen by the Board, shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment. Any officer selected by the Board may be removed at any time by the Board whenever, in its judgment, the best interests of this corporation would be served thereby.

8.04. Resignation Of Officers Any officer may resign at any time by giving proper written notice to the corporation or representative of the corporation. Any vacancy created by a resignation shall be filled by appointment made by the board.

ARTICLE IX

9.01. Right of indemnity. To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Section 5238 (a) of the Law, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in that section, and including an action by or for in the right of the corporation, by reason of the fact that the person is or was a person described in that section, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The foregoing does not apply to any proceeding specifically excluded by law, which includes actions brought by or in the right of this corporation and certain actions alleging self dealing or a breach of any duty relating to assets held in charitable trust. "Expenses," as used in this bylaw, shall have the same meaning as in Section 5238 (a) of the Law.

9.02. Approval Of Indemnity On written request to the board by any person seeking indemnification under Section 5238 of the Law, the board shall promptly determine under Section 5238(e) of the Law whether the applicable standard of conduct set forth in Section 5238 (b) or Section 5238(c) has been met and, if so, the board shall authorize indemnification by a majority vote of a quorum consisting of directors who are not parties to such proceeding.

9.03. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking Indemnification under these bylaws in defending any proceeding covering by this section shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

9.04. Limitation of Liability of Volunteer Directors or Volunteer Executive Officers to Third Parties. In accordance with Section 5239 of the Law, there shall be no personal liability for monetary damages to a third party on the part of a volunteer director or volunteer executive officer caused by the director's or executive officer's negligent act or omission in the performance of that person's duties as a director or officer, if all of the following conditions are met: (a) the

act or omission was within the scope of the director's or executive officer's duties; (b) the act or omission was performed in good faith; (c) the act or omission was not reckless, wanton, intentional, or grossly negligent; and (d) damages caused by the act or omission are covered pursuant to a liability insurance policy issued to the corporation, either in the form of a general liability policy or a director's and officer's liability policy, or personally to the director or officer. In the event that the damages are not covered by a liability insurance policy, the volunteer director or volunteer executive officer shall not be personally liable for the damages if the Board and the person had made all reasonable efforts in good faith to obtain available liability insurance. "Executive Officer" means the president, vice president, secretary, or treasurer of a corporation, or such other person who serves in like capacity, who assists in establishing the policy of the corporation. "Volunteer" means the rendering of services without compensation. "Compensation" means remuneration whether by way of salary, fee, or other consideration for services rendered. However, the payment of per diem, mileage, or other reimbursement expenses to a director or executive officer does not affect that person's status as a volunteer with the meaning of this Section.

ARTICLE X

10.01 Insurance. The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, and other agent, in such capacity or arising out of the officer's, director's, employee's, and other agent's status as such, provided, however, that this corporation shall not purchase or maintain insurance to indemnify any director or officer of this corporation for violating Section 5233 of the Law.

ARTICLE XI

11.01. Maintenance of Corporate Records. The corporation shall keep:

(a) Adequate and correct books and records of account;

(b) minutes of the proceedings of its board and committees of the board in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the foregoing; and

(c) A record of each director's name, address, and telephone number.

11.02. Maintenance and Inspection of Articles and Bylaws. The corporation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the board of directors at all reasonable times during office hours.

11.03. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, and documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

11.04. Annual Report.

So long as required by Law, an Annual report shall be prepared within 120 days after the end of the corporation fiscal year.

(a) As part of the annual report the corporation shall prepare and furnish to its directors a statement of any transaction or Indemnification of any transaction to which the corporation, or its subsidiary was a party, which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000 and in which any director or officer of the corporation or its subsidiary was a party.

(b) The statement shall contain a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of the transaction, and, when practicable, the amount of the interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

(c) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation pursuant to the Law.

ARTICLE XII

12.01 Rules of Order. The chairperson or other person presiding at any meeting of the board shall utilize such rules or processes of discussion which foster open and productive discussion. If the board members present cannot agree on the rules or process for a specific meeting, then the Robert's Rules of Order shall be enforced and shall be the final authority for all procedural matters not covered by these bylaws or duly designated amendment to these bylaws.

ARTICLE XIII

13.01. Adoption, Amendment or Repeal of These Bylaws. These bylaws may be amended or repealed, or new bylaws may be adopted by the board of directors by a majority vote of a quorum of the board at a duly held meeting of the board.

CERTIFICATE OF SECRETARY

I, the undersigned certify that I am the presently elected and acting secretary of Project Sentinel, Inc. a California nonprofit corporation, and the above bylaws consisting of 12 pages are the bylaws of this corporation as adopted at a meeting of the members held on this _____ day in the month of _____, in the year of _____.

DATED: _____

Executed at: 525 Middlefield Road #200, Redwood City, California.

SIGNED: _____
Secretary of the Board

ATTACHMENT K

ARTICLES OF INCORPORATION
OF
PROJECT SENTINEL
A CALIFORNIA NONPROFIT CORPORATION

ARTICLE I

The name of this corporation shall be " PROJECT SENTINEL , INC."

ENDORSED
FILED
in the office of the Secretary
of the State of Calif

ARTICLE II

NOV 26 199

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Laws for charitable purposes. MARCH FONG EU, Secretary

B. The specific and primary purposes of this corporation are to provide fair housing counseling and investigation, tenant-landlord counseling, and dispute resolution/mediation services.

ARTICLE III

The name and address in the state of California of this corporation's initial agent for service of process is Ann Marquart, 430 Sherman Ave. Palo Alto, CA. 94306

ARTICLE IV

A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code.

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

ARTICLE V

The property of this corporation is irrevocably

dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member or to the benefit of any private individual. On the dissolution or winding up of this corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation shall be distributed to a non-profit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its tax exempt status under Section 501(c) (3) of the Internal Revenue Code and section 2370ld of the Revenue and Taxation Code.

Date: November 21, 1990



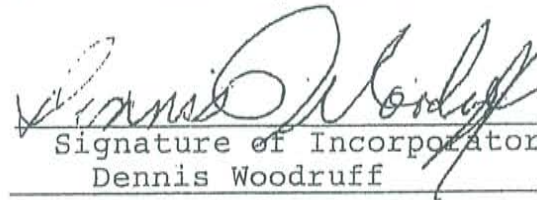
(Signature of Incorporator)

Gerry Orellana

(Type name of Incorporator)



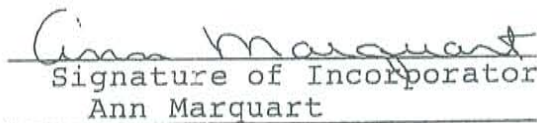
Signature of Incorporator
Sally Brennan



Signature of Incorporator
Dennis Woodruff



Signature of Incorporator
DeeDee Connelly



Signature of Incorporator
Ann Marquart

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

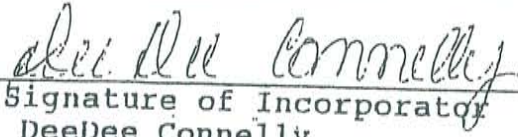


(Signature of Incorporator)

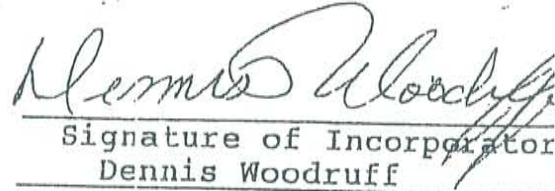
Gerry Orellana



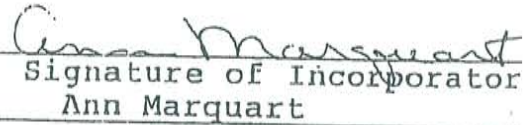
Signature of Incorporator
Sally Brennan



Signature of Incorporator
DeeDee Connelly



Signature of Incorporator
Dennis Woodruff



Signature of Incorporator
Ann Marquart

ATTACHMENT L



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

JAN 20 REC'D

EXH G

In reply refer to
755:G :GRW

January 11, 2017

PROJECT SENTINEL INC
1490 EL CAMINO REAL
SANTA CLARA CA 95050-4609

Purpose : CHARITABLE
Code Section : 23701d
Form of Organization : Corporation
Accounting Period Ending: June 30
Organization Number : 1516331

EXEMPT DETERMINATION LETTER

This letter confirms the organization's previous tax-exempt status from California franchise or income tax as stated in the above Revenue and Taxation Code (R&TC) section. In confirming the organization's tax-exempt status, we made no examination of the organization's current activities. You must immediately report to us any changes in the organization's operation, character, or purpose since the original tax-exempt status.

The tax-exempt status is effective as of 11/26/1990.

To retain tax-exempt status, the organization must be organized and operating for nonprofit purposes within the provisions of the above R&TC section. An inactive organization is not entitled to tax-exempt status.

For filing requirements, get Pub. 1068, Exempt Organizations - Filing Requirements and Filing Fees. Go to ftb.ca.gov and search for 1068.

EXEMPT UNIT
EXEMPT ORGANIZATIONS
BUSINESS ENTITIES SECTION
TELEPHONE 916.845.4171
FAX NUMBER 916.845.9501

RTF:

CINCINNATI OH 45999-0038

In reply refer to: 0248219434
Feb. 20, 2014 LTR 4168C 0
77-0266612 000000 00

00032254
BODC: TE

PROJECT SENTINEL
1490 EL CAMINO REAL
SANTA CLARA CA 95050-4609



025887

Employer Identification Number: 77-0266612
Person to Contact: Ms. Benson
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Feb. 10, 2014, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in June 1991.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

ATTACHMENT M

Project Sentinel, Inc.

Financial Statements
and Single Audit Reports and Schedules

June 30, 2019
(With Comparative Totals for 2018)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Project Sentinel, Inc.
Santa Clara, California

We have audited the accompanying financial statements of Project Sentinel, Inc. (a California nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Sentinel, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 2 to the financial statements, the Organization has adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.



An independent firm
associated with Moore
Global Network Limited

Other Matter

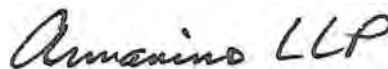
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Project Sentinel, Inc.'s 2018 financial statements, and our report dated January 16, 2019 expressed an unmodified opinion on those audited financial statements. As part of our audit of the 2019 financial statements, we also audited the adjustments to the 2018 financial statements to apply the change in accounting principle discussed above. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, adjusted for the change in accounting principle discussed above, is consistent, in all material respects, with the audited financial statements from which it has been derived. Also, in our opinion, such adjustments are appropriate and have been properly applied.



Armanino^{LLP}
San Jose, California

January 22, 2020

Project Sentinel, Inc.
Statement of Financial Position
June 30, 2019
(With Comparative Totals for 2018)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 487,044	\$ 635,949
Accounts receivable	500	6,195
Grants receivable	1,155,948	1,065,554
Prepaid expenses and other assets	26,181	26,743
Property and equipment, net	131,780	104,040
Total assets	\$ 1,801,453	\$ 1,838,481
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 33,941	\$ 118,277
Accrued expenses	143,821	143,179
Agency funds	31,025	31,025
Deferred revenue	2,912	-
Total liabilities	211,699	292,481
Net assets		
Without donor restrictions		
Undesignated	1,301,057	1,351,762
Investment in property and equipment	131,780	104,040
Total without donor restrictions	1,432,837	1,455,802
With donor restrictions	156,917	90,198
Total net assets	1,589,754	1,546,000
Total liabilities and net assets	\$ 1,801,453	\$ 1,838,481

The accompanying notes are an integral part of these financial statements.

Project Sentinel, Inc.
Statement of Activities
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
Support and revenue				
Governmental grants and contracts	\$ 2,530,122	\$ -	\$ 2,530,122	\$ 2,280,209
Contributions in-kind	515,323	-	515,323	631,650
Program fees - training	154,532	-	154,532	139,005
Settlement income	-	82,750	82,750	213,000
Foundation, corporate and other grants	-	41,300	41,300	77,362
Investment income	7,994	-	7,994	4,779
Contributions	1,032	-	1,032	1,248
Other income	813	-	813	14,040
Net assets released from restriction	<u>57,331</u>	<u>(57,331)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>3,267,147</u>	<u>66,719</u>	<u>3,333,866</u>	<u>3,361,293</u>
Functional expenses				
Program services				
Fair Housing	1,138,466	-	1,138,466	1,148,063
Dispute Resolution Services	1,470,682	-	1,470,682	1,345,533
HUD Housing Counseling	<u>334,115</u>	<u>-</u>	<u>334,115</u>	<u>282,274</u>
Total program services	<u>2,943,263</u>	<u>-</u>	<u>2,943,263</u>	<u>2,775,870</u>
Support services				
Management and general	<u>346,849</u>	<u>-</u>	<u>346,849</u>	<u>352,665</u>
Total support services	<u>346,849</u>	<u>-</u>	<u>346,849</u>	<u>352,665</u>
Total functional expenses	<u>3,290,112</u>	<u>-</u>	<u>3,290,112</u>	<u>3,128,535</u>
Change in net assets	(22,965)	66,719	43,754	232,758
Net assets, beginning of year	<u>1,455,802</u>	<u>90,198</u>	<u>1,546,000</u>	<u>1,313,242</u>
Net assets, end of year	<u>\$ 1,432,837</u>	<u>\$ 156,917</u>	<u>\$ 1,589,754</u>	<u>\$ 1,546,000</u>

The accompanying notes are an integral part of these financial statements.

Project Sentinel, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	Program Services				Management and General	2019 Total	2018 Total
	Fair Housing	Dispute Resolution Services	HUD Housing Counseling	Total Program Services			
Personnel expenses							
Salaries and wages	\$ 744,238	\$ 707,912	\$ 220,499	\$ 1,672,649	\$ 110,615	\$ 1,783,264	\$ 1,567,848
Payroll taxes	65,854	62,525	19,982	148,361	10,414	158,775	131,641
Employee benefits	50,384	43,651	18,478	112,513	8,387	120,900	137,121
Total personnel expenses	860,476	814,088	258,959	1,933,523	129,416	2,062,939	1,836,610
Professional services, in-kind	11,050	394,650	-	405,700	-	405,700	554,195
Professional services	15,959	87,704	1,436	105,099	174,912	280,011	248,863
Occupancy, in-kind	51,647	35,652	13,014	100,313	9,310	109,623	77,455
Occupancy	34,394	40,016	6,866	81,276	4,879	86,155	95,445
Equipment costs	16,469	25,477	9,193	51,139	3,340	54,479	48,215
Meals and transportation	30,648	13,622	5,199	49,469	3,334	52,803	50,625
Telephone	16,867	11,503	6,409	34,779	2,447	37,226	33,334
Dues and subscriptions	11,264	5,609	6,701	23,574	2,483	26,057	26,990
Conferences and training	22,253	1,619	1,864	25,736	-	25,736	6,606
Printing and publications	15,406	8,602	283	24,291	31	24,322	25,135
Contracted services	22,815	448	7	23,270	78	23,348	51,941
Miscellaneous	958	2,894	15,355	19,207	2,262	21,469	2,458
Outreach	4,804	15,342	148	20,294	-	20,294	14,871
Insurance	4,693	2,877	1,068	8,638	7,560	16,198	19,918
Depreciation and amortization	4,617	5,016	1,863	11,496	682	12,178	4,257
Office supplies	3,754	4,356	1,426	9,536	1,911	11,447	9,979
Postage and shipping	4,074	1,207	547	5,828	1,245	7,073	6,796
Testers	6,318	-	-	6,318	-	6,318	8,948
Bank charges	-	-	3,777	3,777	2,426	6,203	3,332
Taxes and licenses	-	-	-	-	533	533	2,562
	<u>\$ 1,138,466</u>	<u>\$ 1,470,682</u>	<u>\$ 334,115</u>	<u>\$ 2,943,263</u>	<u>\$ 346,849</u>	<u>\$ 3,290,112</u>	<u>\$ 3,128,535</u>
Percentage of total	<u>35 %</u>	<u>45 %</u>	<u>10 %</u>	<u>90 %</u>	<u>10 %</u>	<u>100 %</u>	

The accompanying notes are an integral part of these financial statements.

Project Sentinel, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 43,754	\$ 232,758
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	12,178	4,257
Changes in operating assets and liabilities		
Accounts receivable	5,695	21,842
Grants receivable	(90,394)	(453,577)
Prepaid expenses and other assets	562	(12,071)
Accounts payable	(84,336)	(3,403)
Accrued expenses	642	17,432
Agency funds	-	(2,000)
Deferred revenue	2,912	(2,214)
Net cash used in operating activities	(108,987)	(196,976)
Cash flows from investing activities		
Additions to property and equipment	(39,918)	(20,129)
Net cash used in investing activities	(39,918)	(20,129)
Net decrease in cash and cash equivalents	(148,905)	(217,105)
Cash and cash equivalents, beginning of year	635,949	853,054
Cash and cash equivalents, end of year	\$ 487,044	\$ 635,949

Supplemental schedule of noncash investing and financing activities

Additions to property and equipment included in accounts payable	\$	-	\$ 62,185
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The accompanying notes are an integral part of these financial statements.

Project Sentinel, Inc.
Notes to Financial Statements
June 30, 2019
(With Comparative Totals for 2018)

1. NATURE OF OPERATIONS

Project Sentinel, Inc. (the "Organization"), was founded in 1971, and incorporated in the state of California in 1990. The Organization provides fair housing, tenant/landlord dispute resolution services, and mortgage counseling to residents of the counties of Santa Clara, San Mateo, Stanislaus, Monterey, Sacramento and to the cities of Fremont and Merced. These programs operate out of offices located in Redwood City, Santa Clara, Fremont, Gilroy, Modesto and Sacramento.

The Organization's primary source of revenue consists of federal grants from the Department of Housing and Urban Development (HUD) which are received directly from HUD or passed through local jurisdictions. In addition, the Organization receives local government grants from the jurisdictions served by the Organization. The Organization also receives foundation grants and corporate grants as well as court awarded settlement monies for legal action related to fair housing cases.

Program services are described as follows:

Fair Housing - The Fair Housing Center investigated 386 complaints of discrimination in the year ended June 30, 2019. 839 people benefited from those investigations, and the staffs provided information, education, and referrals on 1,717 calls. Victims of discrimination received \$165,000 through matters the Organization identified and investigated for fair housing enforcement (some cases were carried over from previous years). The Fair Housing Center created new outreach materials targeted towards the needs of immigrants, now available in Spanish, Dari, Chinese and Vietnamese. 2,672 community members from targeted populations and organizations who serve them received education on their fair housing rights and local discrimination trends. In addition, 452 owners and managers of rental housing attended a workshop to learn about their responsibilities and fair housing obligations.

Dispute Resolution Services - Staff provided information on rental rights and responsibilities to 9,268 tenants, owners and managers of rental housing by way of workshops, seminars, one on one counseling and phone counseling so that informed decisions could be made. 1,792 cases were opened for households needing additional assistance of extensive counseling and dispute resolution. Panels of volunteer and paid mediators along with salaried staff employed shuttle diplomacy to resolve rental disputes with mediation and conciliation. During the year ended June 30, 2019, the Organization's services were solicited to review the new rent stabilization ordinance in the City of Hayward and to provide day-of-court mediation in Small Claims and Civil Harassment calendars.

Project Sentinel, Inc.
Notes to Financial Statements
June 30, 2019
(With Comparative Totals for 2018)

1. NATURE OF OPERATIONS (continued)

HUD Housing Counseling - HUD Housing Counseling provides needed and sometimes required counseling to homeowners and future homeowners. Most First Time Homebuyer Assistance Programs require a certificate of either counseling or an educational workshop. Other government programs also require counseling for housing programs such as applying for a Reverse Mortgage. During the year ended June 30, 2019, the Organization assisted 1,254 first time home buyers prepare for home ownership through homebuyer educational workshops and an additional 40 with individual one-on-one pre-purchase counseling. The Organization assisted 68 homeowners with mortgage default and delinquency counseling and intervening with lending institutions. Reverse mortgage counseling continues to be one of the largest programs with 468 households counseled, and the Organization provided credit counseling to 117 households.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of the Organization have been prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and changes therein are classified as follows:

- *Net assets without donor restrictions* - Net assets without donor restrictions consist of all resources of the Organization which have not been specifically restricted by a donor. The Organization's board may designate net assets without donor restrictions for particular purposes.
- *Net assets with donor restrictions* - Net assets with donor restrictions represent contributions received with donor-imposed stipulations that will be met by actions of the Organization, and/or the passage of time, or are restricted to be held in perpetuity. There were no net assets restricted to be held in perpetuity as of June 30, 2019 and 2018.

Support and revenue are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between net assets with donor restrictions and net assets without donor restrictions.

Change in accounting principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 makes certain improvements to current reporting requirements, including:

Project Sentinel, Inc.
Notes to Financial Statements
June 30, 2019
(With Comparative Totals for 2018)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

1. Reducing the classes of net assets from three (unrestricted, temporarily restricted and permanently restricted) to two (without donor restrictions and with donor restrictions).
2. Enhancing disclosures about:
 - a. Amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions.
 - b. Composition of net assets with donor restrictions and how the restrictions affect the use of resources.
 - c. Qualitative information about management of liquid resources and quantitative information about the availability of liquid resources to meet cash needs for general expenditures within one year of the statement of financial position date.
 - d. Amounts of expenses by both their natural classification and their functional classification in one location as a separate statement or in the notes to the financial statements.
 - e. Methods used to allocate costs among program and support functions.
 - f. Underwater endowment funds.
3. Reporting investment return net of external and direct internal investment expenses.
4. Use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor-imposed restriction over the estimated useful life of the acquired asset).

The amendments have been applied on a retrospective basis with the option to omit the disclosures about liquidity and availability of resources for the prior year comparative period.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments and investments with an original maturity of three months or less, and exclude donor receipts restricted for long-term purposes. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

Project Sentinel, Inc.
Notes to Financial Statements
June 30, 2019
(With Comparative Totals for 2018)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts and grants receivable

The Organization considers all accounts and grants receivable to be fully collectible within the subsequent year. Accordingly, no allowance for doubtful accounts is considered necessary.

Property and equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchases over \$1,000 are capitalized. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation and amortization is computed on the straight-line method based on the estimated useful lives of the assets, which range from 5 to 15 years. Depreciation and amortization is charged to the activity benefiting from the use of the property or equipment.

Accrued vacation

Accrued vacation represents vacation earned, but not taken as of June 30, 2019 and 2018, and is included in "accrued expenses" in the statement of financial position. The accrued vacation balance as of June 30, 2019 and 2018 was \$62,828 and \$66,578, respectively.

Revenue recognition

The Organization recognizes support and revenue on the accrual basis of accounting. Revenue from grants which have been classified as "exchange transactions" and program fees are recognized as revenue in the period in which the service is provided.

Contributions

Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as without donor restrictions or with donor restrictions depending upon the nature of donor restrictions, if any. Conditional promises to give, if any, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions in-kind

Donated equipment and the use of facilities (in-kind rent) are recorded at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered.

Project Sentinel, Inc.
Notes to Financial Statements
June 30, 2019
(With Comparative Totals for 2018)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Indirect functional expenses are allocated to program and support services based on an analysis of personnel time and space utilized.

Income taxes

The Organization is a qualified organization exempt from federal and California income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Service Code (IRC) and 23701(d) of the State of California Revenue and Taxation Code. As such, the Organization qualifies for the maximum charitable contribution deduction by donors.

The Organization has evaluated its current tax positions and has concluded that as of June 30, 2019, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

Summarized comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Subsequent events

Management of the Organization has evaluated events and transactions subsequent to June 30, 2019 for potential recognition or disclosure in the financial statements. The Organization did not have subsequent events that required recognition or disclosure in the financial statements for the year ended June 30, 2019. Subsequent events have been evaluated through the date the financial statements became available to be issued, January 22, 2020.

Project Sentinel, Inc.
Notes to Financial Statements
June 30, 2019
(With Comparative Totals for 2018)

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 74,312	\$ 50,807
Leasehold improvements	<u>127,695</u>	<u>111,282</u>
	202,007	162,089
Accumulated depreciation and amortization	<u>(70,227)</u>	<u>(58,049)</u>
	<u>\$ 131,780</u>	<u>\$ 104,040</u>

Depreciation and amortization expense for the years ended June 30, 2019 and 2018 was \$12,178 and \$4,257, respectively.

4. AGENCY FUNDS

The Organization serves as a fiscal agent for the Fair Housing Retrofit Fund. This fund provides grants to disabled low income renters and owners in order to retrofit their residences for qualifying disabilities. The parameters governing the awarding of the grants were set by and are overseen by the Santa Clara County Fair Housing Task Force. The Organization holds these funds in a custodial capacity.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	<u>2019</u>	<u>2018</u>
Fair housing	\$ 144,917	\$ 81,550
Homeownership counseling	<u>12,000</u>	<u>8,648</u>
	<u>\$ 156,917</u>	<u>\$ 90,198</u>

Net assets with donor restrictions released from restriction during the year were as follows:

	<u>2019</u>	<u>2018</u>
Fair housing	\$ 19,383	\$ 139,627
Homeownership counseling	<u>37,948</u>	<u>44,352</u>
	<u>\$ 57,331</u>	<u>\$ 183,979</u>

Project Sentinel, Inc.
Notes to Financial Statements
June 30, 2019
(With Comparative Totals for 2018)

6. CONTRIBUTIONS IN-KIND

Contributions in-kind received during the year were as follows:

	2019	2018
Professional services	\$ 405,700	\$ 554,195
Occupancy	109,623	77,455
	\$ 515,323	\$ 631,650

The Organization receives donated rent on office space leased in four locations: Sacramento, Santa Clara, Fremont and Milpitas. The use of the Santa Clara office is donated to the Organization in exchange for services it provides to the tenants of the adjacent low income housing apartment building. The services provided in exchange for rent in Santa Clara office was \$11,438 and \$14,343 for the years ended June 30, 2019 and 2018, respectively.

7. EMPLOYEE RETIREMENT PLAN

The Organization offers a Section 125 cafeteria plan and a 403(b) retirement plan to all eligible employees working 35 or more hours per week. The Organization offers each eligible employee either a base medical plan or contribution to the 403(b) plan. In the case that an employee chooses medical coverage, the cost of selected benefits in excess of the base medical plan are deducted from employee compensation. In the case that an employee declines medical coverage, the Organization contributes 10% of their compensation to the 403(b) plan. Employees may make voluntary contributions to their 403(b) plan through payroll deductions. The Organization does not match employee voluntary contributions.

8. COMMITMENTS AND CONTINGENCIES

Grants and contracts

Grants and contracts awarded to Project Sentinel, Inc. are subject to the funding agencies' criteria, contract terms and regulations under which expenditures may be charged and are subject to audit under such terms, regulations and criteria. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs.

Management does not anticipate any material questioned costs for the contracts and grants administered during the period. The Organization would be responsible for the absorption of any over-expenditure of its restricted grants which cannot be covered by additional grant funds or contributions from other sources.

Project Sentinel, Inc.
Notes to Financial Statements
June 30, 2019
(With Comparative Totals for 2018)

8. COMMITMENTS AND CONTINGENCIES (continued)

Operating leases

The Organization leases office space in four locations: Modesto, Fremont (donated), Milpitas (donated), and Gilroy, with non-cancelable leases expiring in the year ending June 30, 2020. The Organization also leases office equipment under non-cancelable leases expiring in the year ending June 30, 2024. Occupancy expense (including the value of donated rent) for the years ended June 30, 2019 and 2018 was \$195,778 and \$172,900, respectively.

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending June 30,</u>	
2020	\$ 21,758
2021	8,458
2022	8,458
2023	8,458
2024	<u>3,524</u>
	<u>\$ 50,656</u>

9. CONCENTRATIONS

The Organization receives approximately 33% of its support and revenue directly or indirectly from the U.S. Department of Housing and Urban Development. A reduction in awards of grants from this agency could materially impact the services the Organization provides.

10. CONFLICT OF INTEREST POLICY

Included among the Organization's Board of Directors and Officers are volunteers from the community who provide valuable assistance to the Organization in the development of policies and programs and in the evaluation of business transactions. The Organization has adopted a conflict of interest policy whereby Board members are disqualified from participation in the final decisions regarding any action affecting their related company or agency.

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Grants receivable are expected to be received within one year from June 30, 2019. These receivables will be available to support general operations of the Organization.

Project Sentinel, Inc.
Notes to Financial Statements
June 30, 2019
(With Comparative Totals for 2018)

11. LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)

The following is a quantitative disclosure which describes financial assets that are available as of June 30, 2019 to fund general expenditures and other obligations when they become due for one year:

Financial Assets	
Cash and cash equivalents	\$ 487,044
Accounts receivable	500
Grants receivable	<u>1,155,948</u>
	<u>1,643,492</u>
Less: amounts unavailable for general expenditure within one year	
Donor restrictions for a specified purpose	<u>(156,917)</u>
	<u>\$ 1,486,575</u>

The Organization has budgeted a total cost of operations of \$2,754,405 for the year ending June 30, 2020. As of June 30, 2019, the Organization had financial assets available to cover approximately 197 days of operating expenses based on the year ending June 30, 2020 budget.

SINGLE AUDIT REPORTS AND SCHEDULES

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Project Sentinel, Inc.
Santa Clara, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Project Sentinel, Inc. (a California nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

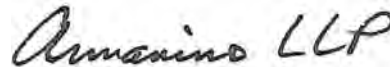
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armanino^{LLP}
San Jose, California

January 22, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

To the Board of Directors
Project Sentinel, Inc.
Santa Clara, California

Report on Compliance for Each Major Federal Program

We have audited Project Sentinel, Inc. (a California nonprofit corporation) (the "Organization")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

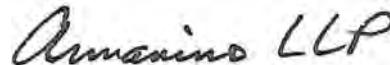
Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Armanino^{LLP}
San Jose, California

January 22, 2020

Project Sentinel, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of Housing and Urban Development			
Direct Programs			
Private Enforcement Initiatives (Fair Housing Initiatives Program (FHIP))	14.418		\$ 304,045
Education and Outreach Initiatives (Fair Housing Initiative Project Outreach & Education (EOI))	14.416		116,794
Housing Counseling Assistance Program	14.169		66,859
Total Direct Programs			<u>487,698</u>
Pass-through Programs			
Community Development Block Grants/Entitlement Grants			
City of Daly City	14.218	N/A	7,500
City of Fremont	14.218	B-18-MC-06-0011	110,000
City of Milpitas	14.218	N/A	10,000
City of Modesto	14.218	N/A	25,000
City of Palo Alto	14.218	C18169996, B-18-MC-06-0020	33,538
City of Redwood City	14.218	N/A	15,000
City of San Jose	14.218	N/A	140,508
City of San Mateo	14.218	N/A	24,950
City of South San Francisco	14.218	N/A	12,000
City of Turlock	14.218	2019-0006	15,000
County of San Mateo	14.218	N/A	23,180
County of Santa Clara	14.218	N/A	85,081
County of Santa Clara	14.218	PS-19-10	34,189
County of Stanislaus	14.218	B-18-UC-06-0011	25,000
City of Sunnyvale	14.218	1819-827550, B-18-MC-06-0023	12,500
City of Merced	14.218	N/A	30,000
City of West Sacramento	14.218	N/A	14,047
Total Pass-through Programs			<u>617,493</u>
Total U.S. Department of Housing and Urban Development			<u>1,105,191</u>
U.S. Department of Treasury			
National Foreclosure Mitigation Counseling Program			
Pass-through Program from:			
Keep Your Home California	21.000	CalHFA MAC-P127/12	13,624
Total Expenditures of Federal Awards			<u>\$ 1,118,815</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

Project Sentinel, Inc.
Notes to Schedule of Expenditures of Federal Awards
June 30, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Project Sentinel, Inc. (the "Organization") under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. INDIRECT COST RATE

The Organization has not elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Project Sentinel, Inc.
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Community Development Block Grants/Entitlement Grants	14.218
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Project Sentinel, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Project Sentinel, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019

There were no prior year findings.

ATTACHMENT N



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/30/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER (WC) Heffernan Insurance Brokers 1350 Carback Avenue Walnut Creek CA 94596 License#: 0564249 PROJSEN-01	CONTACT NAME: Chanel Hradecky PHONE (A/C, No, Ext): 925-934-8500 E-MAIL ADDRESS: chanelh@heffins.com	FAX (A/C, No): 925-934-8278	
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Project Sentinel 1490 El Camino Real Santa Clara CA 95050	INSURER A : Nonprofits Insurance Alliance of California		1184
	INSURER B : Berkshire Hathaway Homestate Insurance Company		20044
	INSURER C :		
	INSURER D :		
	INSURER E :		
INSURER F :			

COVERAGES

CERTIFICATE NUMBER: 891253352

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		201900610	7/1/2020	7/1/2021	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000
							MED EXP (Any one person)	\$ 20,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
A	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			201900610	7/1/2020	7/1/2021	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$ 1,000,000
							PROPERTY DAMAGE (Per accident)	\$
								\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			20200610UMB	7/1/2020	7/1/2021	EACH OCCURRENCE	\$ 2,000,000
							AGGREGATE	\$ 2,000,000
								\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	Y	PRWC126567	7/1/2020	7/1/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
		N/A					E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	Professional Liability (E&O)			201900610	7/1/2020	7/1/2021	Aggregate Per claim	\$2,000,000 \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Project As on file with the insured.

Town of Los Gatos, its officers, officials, employees and volunteers are included as an additional insured and primary with respects to the General Liability policy per the attached endorsements, if required. Waiver of Subrogation is included on Worker's Compensation policy per the attached endorsement, if required. Cancellation notice endorsement for the Workers Compensation policy is attached.

CERTIFICATE HOLDER**CANCELLATION**

Town of Los Gatos
 Attn: Town Clerk
 110 East Main Street
 P.O. Box 949
 Los Gatos, CA 95031

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Any person or organization that you are required to add as an additional insured on this policy, under a written contract or agreement currently in effect, or becoming effective during the term of this policy. The additional insured status will not be afforded with respect to liability arising out of or related to your activities as a real estate manager for that person or organization.	All insured premises and operations.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

- C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Any person or organization that you are required to add as an additional insured on this policy, under a written contract or agreement currently in effect, or becoming effective during the term of this policy. The additional insured status will not be afforded with respect to liability arising out of or related to your activities as a real estate manager for that person or organization.	All insured premises and operations.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



A Heart for Insurance. A Heart for Nonprofits

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – PRIMARY AND NON-CONTRIBUTORY -
FOR DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE PROFESSIONAL LIABILITY COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Any person or organization that you are required to add as an additional insured on this policy, under a written contract or agreement currently in effect, or becoming effective during the term of this policy. The additional insured status will not be afforded with respect to liability arising out of or related to your activities as a real estate manager for that person or organization.

Section II — Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "damages" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations.

The insurance extended by this endorsement is primary coverage when you have so agreed in a written contract or agreement and will be considered non-contributory with the additional insured(s) own insurance.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA
BLANKET BASIS**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

The additional premium for this endorsement shall be calculated by applying a factor of 2% to the total manual premium, with a minimum initial charge of \$350, then applying all other pricing factors for the policy to this calculated charge to derive the final cost of this endorsement.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule**Blanket Waiver**

Person/Organization	Blanket Waiver – Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.	
Job Description	Waiver Premium (prior to adjustments)	
All CA Operations	350.00	

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: 07/01/2020

Policy No.: PRWC126567

Endorsement No.:

Insured:

Premium \$

Insurance Company: Oak River Insurance Company

Countersigned by _____

CALIFORNIA CANCELLATION ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the Information Page.

The cancellation condition in Part Six (Conditions) of the policy is replaced by these conditions:

Cancellation:

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this Policy for one or more of the following reasons:
 - a. Non-payment of premium;
 - b. Failure to report payroll;
 - c. Non-payment of deductible billing;
 - d. Failure to permit us to audit payroll as required by the terms of this policy or of a previous policy issued by us;
 - e. Failure to pay any additional premium resulting from an audit of payroll required by the terms of this policy or any previous policy issued by us;
 - f. Material misrepresentation made by you or your agent;
 - g. Failure to cooperate with us in the investigation of a claim;
 - h. Failure to comply with Federal or State safety orders;
 - i. Failure to comply with written recommendations of our designated loss control representatives;
 - j. The occurrence of a material change in the ownership of your business;
 - k. The occurrence of any change in your business or operations that materially increases the hazard for frequency or severity of loss;
 - l. The occurrence of any change in your business or operation that requires additional or different classification for premium calculation;
 - m. The occurrence of any change in your business or operation which contemplates an activity excluded by our reinsurance treaties.
3. If we cancel your policy for any of the reasons listed in (a) through (g), we will give you 10 days advance written notice, stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to provide notice. If we cancel your policy for any of the reasons listed in Items (h) through (m), we will give you 30 days advance written notice; however, we agree that in the event of cancellation and reissuance of a policy effective upon a material change in ownership or operations, notice will not be provided.
4. The policy period will end on the day and hour stated in the cancellation notice.
5. A short rate penalty applies if you cancel this policy or if we cancel due to non-payment of premium, failure to report payroll, or non-payment of deductible billing. First, the standard premium, defined as the base premium (computed in accordance with Part 1, Section 2, Subsection 3 of the WCIRB's California Basic Underwriting Manual) adjusted for the experience modification factor and all other pricing factors except for premium discount and expense constant, will be multiplied by the quotient of the number of days for which the policy was written divided by the number of days the policy remained in force to produce the full standard premium. Second, the extended number of days will be determined by dividing the number of days the policy was in force by the number of days for which the policy was written and multiplying the quotient by 365 days. When the policy is written for a one-year period, the extended number of days will equal the number of days the policy remained in force. Third, the short rate percentage corresponding to the extended number of days will be obtained from the short rate cancellation table. Fourth, the short rate premium will be equal to the product of the full standard premium times the short rate percentage. The short rate table below will be used in computing the short rate premium. In no event will the final earned premium be less than the policy minimum premium.

Short Rate Table

Extended Number of Days	Percent of Full Policy Premium	Extended Number of Days	Percent of Full Policy Premium	Extended Number of Days	Percent of Full Policy Premium
1	5%	95-98	37%	219-223	69%
2	6%	99-102	38%	224-228	70%
3-4	7%	103-105	39%	229-232	71%
5-6	8%	106-109	40%	233-237	72%
7-8	9%	110-113	41%	238-241	73%
9-10	10%	114-116	42%	242-246 (8 mos.)	74%
11-12	11%	117-120	43%	247-250	75%
13-14	12%	121-124 (4 mos.)	44%	251-255	76%
15-16	13%	125-127	45%	256-260	77%
17-18	14%	128-131	46%	261-264	78%
19-20	15%	132-135	47%	265-269	79%
21-22	16%	136-138	48%	270-273 (9 mos.)	80%
23-25	17%	139-142	49%	274-278	81%
26-29	18%	143-146	50%	279-282	82%
30-32 (1 mo.)	19%	147-149	51%	283-287	83%
33-36	20%	150-153 (5 mos.)	52%	288-291	84%
37-40	21%	154-156	53%	292-296	85%
41-43	22%	157-160	54%	297-301	86%
44-47	23%	161-164	55%	302-305 (10 mos.)	87%
48-51	24%	165-167	56%	306-310	88%
52-54	25%	168-171	57%	311-314	89%
55-58	26%	172-175	58%	315-319	90%
59-62 (2 mos.)	27%	176-178	59%	321-323	91%
63-65	28%	179-182 (6 mos.)	60%	324-328	92%
66-69	29%	183-187	61%	329-332	93%
70-73	30%	188-191	62%	333-337 (11 mos.)	94%
74-76	31%	192-196	63%	338-342	95%
77-80	32%	197-200	64%	343-346	96%
81-83	33%	201-205	65%	347-351	97%
84-87	34%	206-209	66%	352-355	98%
88-91 (3 mos.)	35%	210-214 (7 mos.)	67%	356-360	99%
92-94	36%	215-218	68%	361-365 (12 mos.)	100%

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: 07/01/2020

Policy No.: PRWC126567

Endorsement No.:

Insured:

Premium \$

Insurance Company: Oak River Insurance Company

Countersigned by _____