

MEMORANDUM OF UNDERSTANDING FOR THE NORTH ORANGE COUNTY SERVICE PLANNING AREA

This **MEMORANDUM OF UNDERSTANDING** ("Agreement") is dated as of May 1, 2019 ("Effective Date"), and entered into by and among the Cities of Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Los Alamitos, Orange, Placentia, Stanton, Yorba Linda, and Villa Park, each of which is a municipal corporation organized and existing under California law (cumulatively the "City Parties," and at times individually a "City Party"), and the City of Anaheim, a California charter city ("Anaheim"), with reference to and in consideration of the following:

WHEREAS, like many other regions in California, the County of Orange ("County") has seen a rapid and troubling growth in the homeless population over the past several years, a condition that has been difficult to address given the high cost of housing and property in the area, and the shortage of emergency, transitional, and affordable housing available in the County to serve this population;

WHEREAS, as a result, local jurisdictions throughout the County have experienced increased incidents of unlawful camping and loitering activities in and upon portions of the public rights-of-way, parks, and other public facilities ("Public Property") in violation of local anti-camping, anti-loitering, and/or park closure ordinances and regulations ("Anti-Camping Ordinances");

WHEREAS, the use of Public Property in this manner creates health and safety risks to homeless persons due to traffic hazards, exposure to weather, inadequate sanitation, and other conditions detrimental to their wellbeing, and negatively impacts the health, safety, and general welfare of the community by degrading the environmental and physical condition of such Public Property, increasing risks associated the spread of illnesses, and frustrating the public purpose for which such Public Property is dedicated;

WHEREAS, on a broader scale, the County is a complex jurisdiction of interconnected systems, many of which have been impacted by the homeless crisis in the region, including but not limited to health care, criminal justice, child welfare, public transportation, economic and social, and legislative and political systems;

WHEREAS, in efforts to address this crisis, the County established an integrated Continuum of Care ("CoC") to guide homeless individuals and families through a comprehensive array of services and housing designed to prevent and end homelessness;

WHEREAS, to better coordinate access points, assessments, resources, and programs serving persons experiencing homelessness, the CoC divided the County into three (3) geographic "Service Planning Areas" (or "SPAs"), with the "North Service Planning Area" ("North SPA") including the cities of Anaheim, Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Los Alamitos, Orange, Placentia, Rossmoor, Stanton, Villa Park, and Yorba Linda;

WHEREAS, on September 4, 2018, the United States Court of Appeals for the Ninth issued its decision in *Martin v. City of Boise* (“Boise Decision”), and holding that a local government’s enforcement of its Anti-Camping Ordinance against homeless persons, where the jurisdiction lacks sufficient overnight shelter facilities that are accessible to persons, violates rights protected by the Eight Amendment to the United States Constitution;

WHEREAS, on January 29, 2018, a legal action captioned *Orange County Catholic Worker et al. v. Orange County et al.*, was filed in United States District Court, Central District of California as Case No. 8:18-cv-00155 (the “Action”), against the County, Anaheim, the City of Costa Mesa, and the City of Orange (“Orange,” cumulatively “Defendants”), alleging that, pursuant to the Boise Decision, Defendant’s enforcement of their local Anti-Camping Ordinances against homeless persons was unconstitutional given the lack of accessible overnight shelter beds available to serve the homeless population within their respective jurisdictions;

WHEREAS, plaintiffs in the Action have advised that they intend to add the remaining North SPA Cities as parties to the Action, given that each are in substantially similar positions as the Defendants, with respect to having an insufficient number of overnight shelter facilities available to serve the homeless population within their respective jurisdictions;

WHEREAS, in furtherance of the health, safety, and well-being of all their residents, to return and preserve Public Property for its intended purpose, and in efforts to resolve the Action, the City Parties, located within the North SPA, have worked together cooperatively and in good-faith towards developing a regional solution to the current homeless crisis within their respective jurisdictions;

WHEREAS, as a result of such efforts, the City Parties have been awarded certain grant funds under California’s Homeless Emergency Aid Program (“HEAP”), and certain additional funds made available under Senate Bill 2, towards the acquisition, construction, and operation of two (2) new homeless shelter facilities to be located within the boundaries of the City Parties, and intended to exclusively serve the unsheltered homeless population currently residing within the jurisdiction of the City Parties;

WHEREAS, the City Parties desire to formalize the terms and conditions by which the above-referenced HEAP Funds and SB 2 Funds are aggregated, and combined with additional funds provided by each City Party from alternative sources, to finance the acquisition, construction, and operation of such two (2) new shelter facilities;

WHEREAS, the City Parties additionally desire to memorialize the terms and conditions by which: the two (2) new shelter facilities will be operated; the City Parties will equitably share access to the capacity provided by such new shelter facilities, as well as the capacity provided by existing shelter facilities in located within the boundaries of the City Parties; the City Parties will equitably share the costs and responsibilities associated with the acquisition, construction, operation, and maintenance of such new shelter facilities; and other related matters in furtherance of their common purpose;

WHEREAS, in efforts to further expand the resources available to serve homeless persons within their respective boundaries, the City Parties and Anaheim further desire to memorialize a reciprocal shelter capacity sharing agreement with Anaheim, governing the terms and conditions by which the City Parties and Anaheim will have access to a defined portion of the capacity provided in the other's shelter facility(ies);

WHEREAS, in addition to addressing the needs of homeless persons through the provision of overnight shelter, the City Parties covenant to will work together, in furtherance of the CoC, towards developing and increasing the North SPA's inventory of long-term affordable and supportive housing units, such that homeless persons receiving services under this Agreement may transition from temporary or emergency shelter facilities, and into long-term and stable housing solutions; and

WHEREAS, each Party has caused this Agreement to be duly approved by its respective governing body, and by so doing, has found and determined that this Agreement furthers the health, safety, and general welfare of their respective residents.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. PURPOSE

This Agreement establishes a multi-jurisdictional memorandum of understanding for establishing, constructing, developing, maintaining, providing, operating, and facilitating the provision of overnight shelter in designated public facilities (termed "Navigation Centers" below), and the provision of certain services at such facilities, to homeless and chronically homeless adults, children, and families located within the North Service Planning Area of Orange County, California. This Agreement defines the respective rights and responsibilities of the Parties with respect to the financing, implementing, operating, and the provision of Services, as defined below, at the Navigation Centers.

2. DEFINITIONS

In addition to the other terms and phrases defined elsewhere in this Agreement, the following key capitalized terms and phrases used throughout this Agreement shall have the meaning assigned in this Section.

2.1. "Anaheim Center" shall mean and refer to the Salvation Army's planned Center of Hope located in the City of Anaheim, and specifically the portion thereof available for use by the City Parties under this Agreement as described in Section 4.1.

2.2. "City Program Costs" shall mean and refer to that portion of the Program Costs that are not funded by an alternative funding source described in Exhibit D(1) and D(2), and that

will be paid by the City Parties pursuant to the Cost Allocation Plan, as such City Program Costs are further detailed in Exhibit "D".

2.3. "Cost Allocation Plan" shall mean and refer to the formula utilized to determine the Party Shares of the City Program Costs, as such formula is detailed in Exhibit "E".

2.4. "Center Operator" shall mean and refer to the third-party contracted by a Host City to provide comprehensive and "turnkey" day-to-day management and operation of a New Center.

2.5. "Guests" shall mean and refer to homeless and chronically homeless adults, children, and families located within the Program Area.

2.6. "Guest Capacity" shall mean and refer to the number of beds provided in a Navigation Center, as detailed in Exhibit "B".

2.7. "Host City" or "Host Cities" shall mean and refer to the City of Buena Park and/or the City of Placentia.

2.8. "Navigation Centers" shall mean and refer to those public facilities, and the Guest Capacity available at each, set forth in Exhibit "B". Navigation Centers shall include the New Centers and the Anaheim Center.

2.9. "New Centers" shall mean and refer to the new Navigation Centers to be acquired, constructed, and operated in the Host Cities under this Agreement.

2.10. "Operating Agreement" shall mean and refer to the contract between a Host City and Center Operator for the operation of a New Center.

2.11. "Operating Plan" shall mean and refer to plan approved by a Host City, Party Representatives, and a Center Operator, that details the terms, conditions, and standards by which Services are made available to Guests at a New Center.

2.12. "Party Representative" shall mean and refer to the highest-ranking appointed executive official for each of the Parties, or his/or her duly authorized designee.

2.13. "Party Share" shall mean and refer to that portion of the City Program Costs allocated to each City Party in accordance with the Cost Allocation Plan, as detailed in Exhibit D(3) and (D)(4).

2.14. "Program" shall mean and refer to the Parties' cooperative financing and planning for the acquisition, construction, operation and the provision of Services at the New Centers, and the cooperative sharing among the Parties of Guest Capacity at the Navigation Centers.

2.15. "Program Area" shall mean and refer to the North Service Planning Area of Orange County, California, the geographical boundaries of which are further defined in Exhibit "A."

2.16. “Program Costs” shall mean and refer to the costs incurred by the Parties in the acquisition of New Center sites and the completion of modifications or capital improvements thereto, and annually to operate the New Centers during the Term (as defined below).

2.17. “Program Funds” shall mean and refer to all funds paid by or to the Parties under this Agreement, including but not limited to HEAP Funds and SB 2 Funds received by the Parties and contributed towards the Program.

2.18. “Program Property” shall mean and refer to all real and personal property purchased or acquired with Program Funds.

2.19. “Program Treasurer” shall mean and refer to the Party selected by the other Parties to serve as the treasurer, trustee, and manager of all Program Funds.

2.20. “Services” shall mean and refer to the provision of overnight shelter and other sanitation, nutritional, health, educational, supportive, and/or basic human services at Navigation Centers, as described in an Operating Plan.

3. TERM

3.1. General Term. This Agreement shall be effective as of the date which the last of the Parties has executed the same, which shall be inserted as the Effective Date in the first paragraph above, and shall remain in full force and effect until June 30, 2020, at which point this Agreement shall automatically renew and continue in effect for ten (10) consecutive one-year terms, the last of which shall expire on the date that is ten (10) years from the Effective Date (each an “Annual Term,” and cumulatively the “Term”). The Term may be extended upon the mutual written agreement of the Parties, or earlier terminated in accordance with the provisions of this Agreement.

3.2. Termination by City Parties.

a) Notice and Effective Date. Notwithstanding Section 3.1, any City Party, other than a Host City, may terminate its participation in this Agreement by providing one year’s written notice to all other Parties on or before the last day of any Annual Term (June 30), and following timely payment of the “Termination Fee.” This Agreement shall thereafter terminate as to the Party providing such notice at 11:59 p.m. on the last day of the immediately ensuing Annual Term.

b) Termination Fee as Liquidated Damages. The Termination Fee shall be equal to three times (3x) the most recent Party Share paid by the terminating City Party, plus an additional five percent (5%) of the resulting factor to account for increases in the consumer price index. The Termination Fee shall be paid by the terminating City Party to the Program Treasurer not later than six (6) months before the effective date of termination. Failure to timely remit the Termination Fee shall render a City Party’s notice of termination ineffective. The Parties acknowledge and agree that the Termination Fee shall constitute liquidated damages and not penalties, and are in addition to all other rights of the Parties, including the right to call a default

of this Agreement. The Parties further acknowledge that: (i) the amount of loss, costs, or damages likely to be incurred by the Parties resulting from a City Party terminating this Agreement before the end of the Term is incapable or is difficult to precisely estimate; (ii) the Termination Fee to be paid by any City Party bears a reasonable relationship to, and is not plainly or grossly disproportionate to, the probable losses or costs likely to be incurred by the other Parties by virtue of a City Party's termination of this Agreement before the end of the Term; (iii) one of the reasons for the Parties reaching an agreement as to such amounts is the uncertainty regarding the question of actual losses, costs, or damages to be incurred by the Parties in such event; and (iv) the Parties are sophisticated business parties, have been represented by sophisticated and able legal counsel, and have negotiated this Agreement at arm's length.

c) Continuing Enforceability. Following the effective date of termination, the terminating City Party shall have no further obligations or rights with respect to this Agreement, except as expressly provided otherwise herein. Should any such terminating City Party desire to renew its participation in this Agreement in subsequent Annual Terms, such Party shall be subject to Section 3.6.

3.3. Termination by Host City

a) Notice and Effective Date. Notwithstanding Sections 3.1 and 3.2, Host Cities may terminate their participation by providing six (6) months written notice to all other Parties as follows: written notice of termination shall be provided on or before January 1 of each Annual Term, and this Agreement shall thereafter terminate as to the Host City providing such notice at 11:59 p.m. on the last day of the same Annual Term; for example, notice of termination provided before January 1, 2020, shall be effective as of June 30, 2020.

b) Continued Operation of Navigation Center. As a condition precedent to the effectiveness of a Host City's termination of this Agreement, such that a New Center / Navigation Center will no longer be operated within its jurisdiction, the Host City shall comply with all terms, conditions, and restrictions of the HEAP Funding, SB 2 Funding, and any other grants or similar funding provided to the Program and/or Host City relative to the New Center, and any Program Property in the possession and control of the Host City that was not acquired with such grant funds, and thus is not bound by associated grant restrictions, shall be managed and disposed of as directed by the Party Representatives. In the event of such Host Party's termination, the City Parties shall work together cooperatively and in good faith to satisfy the shelter needs of the Program Area following the Host City's termination. No Party shall be compelled under this Agreement to remain or serve as a Host City.

c) Continuing Enforceability. The Host City's notice of termination shall indicate whether the Host City is entirely terminating its participation in this Agreement, or whether it will remain a City Party. If the first, the terminating Host City shall be subject to Section 3.2(c). If the Host City is to remain a City Party, following the effective date of termination the Host City will be treated in all respects as a City Party under this Agreement, and subject to any adjustment to its Party Share and Cost Allocation Plan.

3.4. Termination by Anaheim. Notwithstanding Section 3.1, Anaheim may terminate its

participation in this Agreement by providing ninety (90) days' written notice to all other Parties at any time during the Term, and Anaheim shall not be subject to a Termination Fee.

3.5. New Parties

a) **Qualifying Agencies.** Only those cities, counties, or political subdivisions of the State whose jurisdictional boundaries include portions of, or overlap with, the Program Area qualify to be a Party to this Agreement ("Qualifying Agency"). Only unsheltered homeless persons identified within the Program Area may be served by the Program, and no Party shall directly or indirectly transport, or cause the transportation of, any such persons from outside the boundaries of the Program Area for an improper purpose or motivation, including but not limited to reducing the unsheltered count of the originating jurisdiction, alleviating the obligation of said jurisdiction to provide said person services or shelter, or utilizing Guest Capacity in the Navigation Centers.

b) **Financial Contribution of New Parties.** After the Effective Date, a Qualifying Agency that is not a Party may petition the Parties to be added to this Agreement, and will be made a Party hereto if: (1) the petition of the Qualifying Party is approved by the Party Representatives; (2) the Qualifying Party pays a pro-rated share of (i) the New Center Construction and Acquisition Costs actually incurred by the Parties, as estimated in Exhibit "C," and (ii) any other capital improvement, repair, or maintenance costs actually incurred by the Parties in connection with the New Centers between the Effective Date and the date which the Qualifying Agency is added as a Party. Upon being made a Party to this Agreement, and as condition precedent thereto, the Qualifying Agency shall be allocated and pay a Party Share consistent with the Cost Allocation Plan, and all other Party Shares shall be adjusted accordingly. The Parties acknowledge and agree that payments to be made by a Qualifying Agency under this Section fairly represent the Program benefits and burdens to the Parties. The addition of a New Party shall be considered a material change requiring approval of the Host Cities, in accordance with Section 10.1.

4. NAVIGATION CENTERS

4.1 Anaheim Center; Scope of Anaheim Participation and County Contribution Thereto

a) **Limited Scope.** The Parties agree that Anaheim's rights and obligations under this Agreement are limited to the reciprocal sharing of Guest Capacity between that provided by City Navigation Centers located outside of Anaheim's jurisdictional boundaries, and that provided by the Anaheim Center. Notwithstanding any contrary terms of provisions of this Agreement, Anaheim shall not be liable or responsible for the payment of Program Costs, City Program Costs, or any Party Share hereunder, nor shall Anaheim be entitled to receive any Program Funds, Program Property, or proceeds of Party Shares under this Agreement.

b) **Capacity Sharing Among City Parties and Anaheim.** Following the construction and commencement of operations of the second of the New Centers, or the Anaheim Center, whichever occurs later and continuing for so long as Anaheim remains a Party to this MOU, Anaheim shall be entitled to use and access space for up to Two Hundred Twenty-Five (225) Guests in the City Navigation Centers, and in return, the City Parties, cumulatively, shall be entitled to use and access space for up to Two Hundred Twenty-Five (225) Guests in the

Anaheim Center, as the available capacity thereof may be approved by the operator of the Anaheim Center. The details, funding, and protocol for Capacity Sharing may be memorialized in a subsequent agreement between the Parties to the extent necessary to effectuate the purpose of this section; provided, however, that (i) in no event shall a person be admitted to the Anaheim Center or a City Navigation Center without the express consent of the receiving party (in the case of Anaheim, the consent of the City of Anaheim, and in the case of a City Navigation Center, the consent of the Host City), and (ii) Capacity Sharing is intended to be roughly proportional and reciprocal and the Parties agree to share information and work cooperatively to ensure that this goal is met. If Anaheim or any Host City requests in writing that a Capacity Sharing agreement be reached before this section is operative, the Parties shall negotiate cooperatively and in good faith to reach such an agreement. If such agreement is not reached within a reasonable period of time this Section 4 shall be null and void as to Anaheim. The Parties agree that this reciprocal sharing of Guest Capacity between the City Parties and Anaheim fairly represents a regional solution focusing on the respective privileges and burdens flowing to the Parties hereunder, while addressing the anticipated challenges of developing a and implementing a regional solution to the homeless crisis in the County.

c) Anaheim Participation Contingent on County Funding. Anaheim's participation and the effectiveness of Section 4.2(b) is contingent on the County providing financial assistance to facilitate the construction and operation of the Anaheim Center, with such assistance substantially consisting of the following: (1) for a period of two (2) years following the Effective Date, County will pay Anaheim the monetary sum of Five Hundred Thousand Dollars (\$500,000) per year and expenses for the Anaheim Center, or provide, in whole or in part, an equivalent value of services for the Anaheim Center; and (2) County will pay to Anaheim an additional monetary sum of One Million Two Hundred Thousand Dollars (\$1,200,000) for start-up costs. In the event the County fails or declines to provide such assistance to Anaheim, Anaheim may terminate its participation in this Agreement. Should the County provide such assistance, except as the City Parties may indirectly benefit from the County's assistance described in this section, the City Parties shall not be entitled to receive any portion of the funds or services to be provided to Anaheim under this Section.

4.2 City Navigation Centers. The Parties desire to work cooperatively and combine their respective resources for purposes of providing and coordinating the provision of Services to Guests at Navigation Centers located in the Program Area, and to acquire, construct, develop, and operate two New Centers (one to be located in each of the Host Cities).

a) Navigation Centers and Guest Capacity. For purposes of this Agreement, the Navigation Centers, and the existing or anticipated Guest Capacity of each, are set forth in Exhibit "B" to this Agreement.

b) Change in Navigation Centers. The Parties may, from time to time, close a Navigation Center, construct additional or replacement Navigation Centers, or amend the Guest Capacity of any Navigation Center, and/or a Host City may terminate its participation in this Agreement. In such case, the Parties shall amend this Agreement to provide an accurate listing of the Navigation Centers open and available for Guests at any given time during the Term, and shall adjust the Cost Allocation Plan and Party Shares as appropriate.

c) **Funding.** Funding for the City Navigation Centers subject to this Agreement shall be in accordance with Section 7.5(b)(1).

5. CONSTRUCTION AND MAINTENANCE OF NEW CENTERS

5.1. Ownership. The New Centers shall be owned by the applicable Host City, together with any Program Property in the custody or possession of a Host City; provided the New Centers and Program Property shall be utilized by Host Cities exclusively for purposes consistent with this Agreement, and/or the terms and conditions of the HEAP Funding Agreement entered into by a Host City, as applicable.

5.2. Design. Each Host City shall have final authority over the design and construction of New Centers located in its jurisdiction, in accordance with each Host City's ownership rights and plenary land use authority. Prior to a Host City's commencement of construction of, or significant modifications or improvements to, a New Center, the Party Representatives will be provided a reasonable opportunity to review and provide input on the proposed design and amenities of the New Center, and the Host Cities will, in good faith, consider the input of the Party Representatives in finalizing the same.

5.3. Host City as "Lead Agency." The Host City for each New Center shall be the "lead agency" for purposes of improvements or modifications thereto, as well for the environmental review, acquisition, development, and construction of a New Center, and the operation, cleaning, maintenance, or repair of a New Center.

a) **Service Contracts.** As approved by the Party Representatives, each Host City will be the "contracting party" to any written agreements with qualified professional(s), service providers, and/or licensed contractor(s) ("Contractor") necessary for the development or operation of New Centers consistent with this Agreement.

b) **Procurement Practices.** A Party's purchase or acquisition of Program Property, or a Host City's retention of any Contractor, shall be governed by the procedural formalities and requirements of the Host City. The Parties agree that, to the extent practicable and not otherwise required by applicable law, Contractors should be selected after a competitive process that considers both price and capacity or qualifications to perform.

5.4. Minimum Housing Standards. The New Centers should comply with the building standards for emergency housing established by the California Department of Housing and Community Development, as the same may be amended from time to time, or if more stringent, and at the discretion of the Host City, the applicable building standards of the Host City ("Building Standards").

5.5. Minimum Facilities and Amenities. The New Centers should be improved and equipped with the facilities and amenities commonly associated with public facilities of similar type and purpose as approved by the Party Representatives, in sufficient quantities necessary to serve the Guest Capacity for each New Center.

5.6. Maintenance and Repairs. Host Cities will cause the New Centers to be regularly cleaned, maintained, and repaired in accordance with generally accepted standards, and as necessary to ensure compliance with the Building Standards. The Operating Agreements for the New Centers shall include terms and conditions requiring the Center Operators to comply with this Section.

5.7. Security. Each Host City will ensure that adequate security measures and policies are incorporated into the New Centers' construction and operation, including but not limited to security plans, secured entrances, on-site security personnel, video recording equipment, adequate lighting, law enforcement patrols, and neighborhood safety controls. Detailed security procedures and protocols will be included in the Operating Plan developed by the Host City, Center Operator, and the Party Representatives, as described further below.

6. USE AND OPERATION OF NAVIGATION CENTERS

6.1. Exclusive Purpose of Navigation Centers. The Navigation Centers subject to this Agreement will be used by the Parties exclusively for the purpose of providing Services to Guests located within the Program Area. The Parties agree to work cooperatively and in good faith, and to take such reasonable action(s) or precaution(s) as deemed necessary, to effectuate the purpose of this Section.

6.2. Use and Access of Navigation Centers. In consideration for the City Parties' payment of their respective Party Share, each City Party shall have the right to utilize an approximately equivalent percentage of its Party Share of total Guest Capacity in the Navigation Centers. The Parties shall have access to and utilize the monitoring and logging system developed and operated by the County to track the real-time availability of Guest Capacity in the Navigation Centers, and to make arrangements and reservations for the transportation of Guests thereto and therefrom. Parties utilizing Guest Capacity in New Centers shall comply with the applicable Operating Plan.

6.3. Length of Stay and Transitional Housing. Host Cities shall have the authority to establish reasonable restrictions on the maximum length of stay for any individual Guest in a New Center, which restriction shall be set forth in the Operations Plan. Any restrictions adopted pursuant to this Section by a Host City shall be consistent with those generally imposed by facilities of similar type, nature and purpose. Upon expiration of any length of stay imposed by a Host City, the Party from whose jurisdiction the Guest originated from shall provide transportation and otherwise facilitate the return of the Guest to said jurisdiction, subject to restrictions imposed by applicable laws. Consistent with the purposes of this MOU to provide a long-term solution to the unsheltered homeless population within the Program Area, the City Parties agree to work cooperatively and in good-faith towards facilitating the development of supportive short-term and permanent affordable housing units within their respective jurisdictions, such that Guests may be transitions from the temporary shelter provided by Navigation Centers to long-term housing.

6.4. Host City Priority. The Host Cities shall have priority to utilize the available Guest Capacity in their respective New Center, and shall have the right of first refusal in the event

of capacity overflow or shortages.

6.5. Annual Review of Party Usage. The Guest Capacity utilized by each Party shall be reviewed not less than once per year in conjunction with the Annual Meeting and in light of the Annual Report and Annual Audit described below, and the results of this review shall be used for making any necessary adjustments to the Party Shares or the Cost Allocation Plan to ensure the Parties' financial obligations hereunder accurately reflect the benefit derived; as well as to make any necessary revisions to the Operating Plans to further the goals and objectives of this Agreement. Notwithstanding the foregoing, during the first two (2) Annual Terms, the Party Representatives shall meet not less than once per quarter to review the matters described in this Section; provided that such a review shall be conducted at any time during the Term upon a request by two-thirds (2/3) of the Party Representatives.

6.6. Center Operators. Each Host City will enter into an Operating Agreement with a Center Operator for comprehensive and "turnkey" day-to-day management and operation of the New Center located within its jurisdiction. Except as otherwise agreed by the Parties, Center Operators shall be a non-profit organization with demonstrated experience operating similar facilities and providing similar services as contemplated in this Agreement, and shall be selected by the Host City following a competitive process, with the selection based on cost considerations, capacity to perform to the Services, qualifications and expertise, and such other matters deemed relevant by a Host City or the Party Representatives. A Host City's selection of a Center Operator shall be subject to approval by the Party Representatives.

6.7. Operating Plan. Each Host City shall develop an Operating Plan which shall govern the day-to-day management and operation of its New Center, and shall be incorporated into the Operating Agreement for the New Center. The Operating Plan must be approved by the Host City, the Center Operator, and the Party Representatives, and will address such matters as are detailed in Exhibit "F", in addition to such other terms and conditions that may be directed by the Host City and the Party Representatives.

6.8. Operating Agreement. Prior to a Host City's commencement of a solicitation for a Center Operator, the Party Representatives shall work cooperatively and in good faith to develop minimum experience and qualifications, as well as general standards, terms, and conditions to be included in an Operating Agreement necessary and appropriate to protect the Parties' respective interests. In addition to any other terms or conditions that may be directed by a Host City or Party Representative, each Operating Agreement will, to the maximum extent permitted by law, require the Center Operator to defend, indemnify, and hold the Parties harmless from and against any and all claims or damage to person or property relating to or arising from the Center Operator's management and operation of a New Center. The terms and conditions of Operating Agreements shall be subject to approval by the Party Representatives.

6.9. Low-Barrier Access. The New Centers shall be considered "low barrier" facilities for purposes of Guest access, and any entry screening, barriers, or conditions to access shall be defined in the Operating Plan, as such may be approved by the Party Representatives and reasonably necessary to accomplish the purposes of this Agreement, or as may otherwise be ordered by a court of law, or required by a settlement agreement to which the Host City is a party.

Except as required to comply with applicable law or court order, the New Centers shall not be “no-barrier” facilities, and shall have, at a minimum, access or entry conditions for Guests that are substantially similar to those utilized by the other Navigation Centers, and screening for felony warrants or registration as a sex offender as may be included in the Operating Plan.

6.10. Community Coordination and Communication. The Parties are committed to communication with neighbors on an ongoing basis. During the Term, the Parties and the Center Operators will work together cooperatively and in good faith to facilitate community forums, generate educational or outreach materials, and engage in similar activities to promote or further the purposes of the Program. The goal of such efforts will be to provide members of the community with opportunities to ask questions and receive information about the Navigation Centers and the Program. Any printed or published materials relating to the Program shall be subject to approval by the Party Representatives.

a) Complaints / Inquiries. Any community complaints and/or inquiries about the Program should be recorded and forwarded to the appropriate Party, or its designated point of contact, for prompt investigation. The Party Representatives and Center Operators shall work together to facilitate appropriate responses to customer service requests and prompt resolution of community complaints.

b) Visitors / Tours. Visits by members of the community and tours of Navigation Centers should be made available by the Host Cities, and will be coordinated by and through the Host City and the Center Operator.

c) Retention of Professional Service Providers. The Parties may retain or appoint professional service providers as necessary to provide public relations, legal, accounting, or other specialized support services for the Program. The Parties will designate a Party to serve as the contracting agency for any such purposes, and the need for and selection of any such professional service providers will be subject to approval by the Party Representatives. Costs and expenses incurred in the retention of professional services providers shall be a Program Cost.

d) Coordination of Government Agencies. The Program will be operated for the public good, and successful implementation will require the partnership of various stakeholders including the Parties, Center Operators, local school districts, and other local political subdivisions and community organizations. The Parties are, and the Center Operators shall be, committed to working cooperatively with numerous stakeholders to serve Guests in the Program Area. The Parties and the Center Operators will communicate and work collaboratively with local police, fire, and public safety departments through all stages of Program implementation, including but not limited to the design of New Centers, and the development and implementation of Operating Plans and Operating Agreements.

6.11. Annual Report. At least once per year, to be completed contemporaneously with the Annual Audit, the Parties shall cause a third-party to review and audit the day-to-day operational affairs of the Navigation Centers, and prepare an Annual Report to be presented to the Party Representatives. The Annual Report shall include such information as may be directed by the Party Representatives, but should at a minimum address such issues as: the sufficiency of the

Guest Capacity for the Program Area; each Party's usage of Guest Capacity over the past year; each Party's anticipated Guest Capacity needs for the ensuing year; funding needs and opportunities; anticipated capital improvement or operational expenses for the Program; the extent to which the Program is achieving the purposes of this Agreement; and a performance review of the Navigation Centers, Center Operators, and Operating Plans. The Parties will designate a Party to serve as the contracting agent for such purposes, and the selection of a third-party to prepare the Annual Report shall be subject to approval of the Party Representatives. Costs and expenses incurred in the retention of professional services providers shall be a Program Cost.

7. FINANCIAL PROVISIONS

7.1. Program Treasurer. The Parties shall select a Party to serve as the Program Treasurer.

a) Designation. The identity of the Program Treasurer shall be memorialized in writing, and the Party Representatives may alter the identity of the Program Treasurer at any time, and the Program Treasurer may resign at any time, both without penalty, cause, or justification; provided that as much advance notice as possible shall be afforded in the case of Program Treasurer resignation. Subject to the foregoing, the Parties designate the City of La Palma to serve as the Program Treasurer.

b) Costs. The Program Treasurer shall be entitled to be recover the costs associated with serving in such capacity under this Agreement.

7.2. Program Accounts. The Program Treasurer shall establish and maintain the Program Accounts set forth in Exhibit "G", or such other or different accounts as may be directed by the Party Representatives from time to time, with a banking institution approved by the Party Representatives, into which the Program Treasurer shall deposit all Program Funds. The Program Funds deposited into each Program Account will be used for the specific purposes of such account.

7.3. No Comingling of Funds. Program Funds provided by the Parties for specific purposes under this Agreement shall be deposited into the designated Program Account, and shall not be comingled with funds provided for any other purpose, nor used for any purpose other than the specific purpose so designated, absent the approval of Party Representatives.

7.4. Permissible Use of Funds. Each Party represents and warrants to the other Parties that the funding source for the Party Shares paid under this Agreement may be used for the purposes described herein, and their expenditure was duly authorized by the governing board of the Party. Any restriction or limitation on the use of funds contributed by a Party under this Agreement shall be so designated and disclosed by the Party making the payment and, should such restrictions or limitations frustrate or hinder the purpose or administration of this Agreement, the Parties may require the Party Share be paid from an alternative funding source; provided that the Parties shall work together cooperatively and in good faith to attribute restricted funds provided by the Parties towards authorized purposes that further the Program before requesting an alternative funding source.

7.5. Description of Party Shares; Financial Contributions by the Parties.

a) **Anticipated Program Costs.** As of the Effective Date, the Parties agree that Exhibit "C" represents a reasonable estimate of Program Costs anticipated to be incurred by the Parties in the acquisition of New Center sites and the completion of modifications or capital improvements thereto (Exhibit C(1)), and annually to operate the New Centers during the Term (Exhibit C(2)). The Parties hereby approve of such Program Costs as the Program Budget, which will govern the Program Treasurer's allocation of Program Funds to the Parties. At each Annual Meeting, a new Program Budget will be approved by the Party Representatives for the immediately ensuing Annual Term, and any such Program Budget may thereafter be modified, amended, or superseded by the Party Representatives.

b) Funding Sources and Parties' Share of Program Costs

1. **Funding Sources and Party Shares.** As set forth in Exhibit D(1) and (D)(2), the Program Costs are anticipated to be paid for from four (4) funding sources: (1) HEAP Funding awarded to the City Parties; (2) SB 2 Funding provided to the City Parties; (3) funds contributed by the County; and (4) Party Shares. The portion of Program Costs to be paid from Party Shares are the City Program Costs, and each Party Share of such City Program Costs is detailed in Exhibit D(3) and D(4). Should any of the alternative funding sources fail, in whole or in part, then the unfunded portion of Program Costs shall be deemed City Program Costs, to be paid by the City Parties in accordance with the Cost Allocation Plan.

2. **Basis for Allocation; Cost Allocation Plan.** The Parties agree that each Party Share is intended to, and does, fairly represent the privileges, benefits, and burdens flowing to and imposed upon each such Party, and its respective community, in that each Party Share represents a portion of the City Program Costs that is substantially equal to each City Party's anticipated use of the aggregate Guest Capacity of the Navigation Centers, and associated burdens of the Program carried by Host Cities. The Parties agree that each Party Share is consistent with the Cost Allocation Plan set forth in Exhibit "E" and that the Cost Allocation Plan accurately reflects the burdens and benefits of the Parties under this Agreement.

3. **Annual Meeting.** No later than ninety (90) days before the commencement of each Annual Term, the Parties shall review the results of the previous year's Annual Audit, together with the Annual Report, existing Cost Allocation Plan, and Program Costs anticipated to be incurred in the current and future Annual Terms, and shall, cooperatively and in good faith: negotiate and reach a mutual agreement as to any adjustments or revisions to the Cost Allocation Plan necessary to finance and operate the Program and the Navigation Centers, and to improve, develop or repair the Navigation Centers; ensure that each Party Share fairly reflects the benefits and obligations to such Party under this Agreement, consistent with the considerations included in the Cost Allocation Plan; and to adopt and approve a new Program Budget for the immediately ensuing Annual Term.

4. **Notice of Party Shares.** Not later than sixty (60) days prior to the commencement of each Annual Term, the Parties shall finalize the Party Shares for the ensuing Annual Term based

on the Cost Allocation Plan, and notice of each Party's Share shall be provided by the Program Treasurer not later than thirty (30) days immediately preceding commencement of the applicable Annual Term.

5. Timely Payment. Each Party shall pay the Party Share in consideration for its continuing right to use and access the Navigation Centers. Each Party's annual obligation to remit payment of the Party Share is contingent on the Parties making the Navigation Centers available to such Party for the applicable Annual Term. Each Party shall remit payment of its Party Share on or before the deadline established by the Party Representatives, and set forth in the notice by the Program Treasurer. Late payments shall accrue interest at the maximum interest rate permitted by law applicable to municipal corporations.

6. Funding Shortages. Should the Program experience a shortfall in funding during any Annual Term, the Program Treasurer, with the approval of Party Representatives, shall provide written notice to the Parties of the shortage, and the City Parties shall remit payment of required amounts within thirty (30) days' receipt of the same, with the amount of each City Party's payment to be based on the Cost Allocation Plan.

7. Reconciliation. If, during any Annual Meeting, the Party Representatives determine that past payments made by any Party were either in excess or less than the amount fairly attributable to that Party, that Party's Share shall be adjusted in future Annual Terms.

8. Public Benefit and Purpose. Each Party acknowledges that establishment and operation of the Program, including but not limited to development and operation of the Navigation Centers, is a substantial benefit to each such Party, and the residents, business, and communities residing within their respective jurisdictional boundaries. All Parties expressly declare that this Agreement, and all expenditures of public funds hereunder for the purposes described herein, furthers legitimate public purposes of combating and remediating incidents of homelessness in their communities.

9. No Repudiation of Party Share. In the event any Party refuses to receive or take advantage of the Program benefits, or access or utilize the Navigation Centers, despite the opportunity to do so as a Party to this Agreement, or in the case of a default or failure to pay its Party Share in accordance with this Agreement, each Party remains obligated to pay to the other Parties, by and through the Program Treasurer, its outstanding payments hereunder as they become due and payable, and any other Party may take any legal action as appropriate to obtain such payment.

10. Results of Nonpayment by Party. All Parties acknowledge that the failure of any Party to pay any amount hereunder will result in an increase in the operational costs of the Program to be divided among all other Parties. To that end, in the event any Party fails to pay, for any reason, any amount required to be paid by that Party under this Agreement within fifteen (15) days of when such payment is due, the amount of such nonpayment will be apportioned among the remaining Parties such that the remaining Parties will be responsible to pay such unpaid amount. Should the non-paying Party subsequently pay any portion of the amount owing, the increased cost paid pursuant to this Section by the remaining Parties will be reimbursed from such payment in a

percentage equal to each Party's Share. Each Party's incremental increase in a contribution resulting from a Party's nonpayment will be due within thirty (30) days of notification by the Program Treasurer. The obligation of Parties to pay increased amounts under this paragraph is not intended to be an exclusive remedy. The Parties reserve the right to take any action as is appropriate to obtain payment from any non-paying Party. Additionally, each Party paying increased costs pursuant to this paragraph, shall have and retain the right to take any action at law or equity as is appropriate to obtain reimbursement of such increased payment amounts from the non-paying Party.

11. No Reimbursement. Except as otherwise expressly provided herein, it is the intention of all Parties that no funds provided by any Party under this Agreement shall be reimbursed. The Parties acknowledge that the payments made or required under this Agreement represents a fair return and consideration in exchange for access and use of the Program and Navigation Centers during the Annual Term to which the payment or payment(s) relate(s). If, pursuant to judicial action or threat thereof, or for any other reason, any funds are reimbursed under this Agreement to any Party, other than as expressly provided herein, the remaining Parties will be responsible for paying the reimbursed amount, with each Party's repayment obligation equaling that used to establish the Party's Share.

12. Budgeting Party Contributions. For each Annual Term, each Party shall make every effort to adopt all necessary budgets and make all necessary appropriations for all payments due hereunder. The covenant contained in this Section shall be deemed to be, and shall be construed to be, contingent upon the continuing offer by other Parties to participate in the Program and be a party to this Agreement. To the extent the Parties offer access and use of the Program and Navigation Centers to any Party, the continued responsibility of such Party to make all payments required hereunder shall be a duty imposed by law and it shall be the duty of each and every public official of each Party to take such actions and do such things as are required by law in performance of the official duty of such officials to enable the Party to carry out and perform the covenants contained in this Section.

13. Mutual Covenant. All Parties acknowledge that the construction, maintenance and availability of Navigation Centers for the provision of Services to Guests, and the division of the costs of constructing and maintaining such Navigation Centers among the Parties allows for costs efficiencies and significant savings to each Party and that each Party has entered into this Agreement in reliance on such shared costs and resulting savings. Each Party, to provide assurance of such cost efficiencies to each remaining Party, hereby expresses its commitment to fulfill its stated obligations regardless of the term of the Agreement overlapping more than one fiscal year, and acknowledges the financial burden that any breach of the terms of this Agreement will have on all other Parties.

14. Grant Funding. The Parties are encouraged to pursue local, state, federal, and other grant opportunities and funding sources in furtherance of the Program, the Navigation Shelters, or towards a Party's financial contributions under this Agreement. To the extent possible, the Parties agree to work together cooperatively and in good faith in pursuit of funding opportunities.

7.6. Program Property. The Program Treasurer shall track and keep an accurate list of all Program Property valued at more than Five Hundred Dollars (\$500) that is acquired with funds contributed by the Parties, including a record of which Party is in custody of such Program Property. Regardless of whether a Party holds legal title to any such Program Property, it shall be managed and utilized by the Party in custody and control of the same exclusively for purposes consistent with this Agreement, and/or the terms and conditions of the HEAP Funding Agreement entered into by a Host City, as applicable.

7.7. Disposition of Program Property. In the event any Party is in possession of any item of Program Property that is not needed or currently being utilized for purposes consistent with this Agreement, the Party in possession shall, within a reasonable time of discovering the same: (1) provide written notice to the Parties; and (2) direct the transfer the Program Property to another Party for use in the Program, as approved by Party Representatives. In the event the transfer of Program Property is unnecessary or infeasible, the Program Property shall be sold at fair-market value within a reasonable period of time, and the proceeds immediately transferred to the Program Treasurer for deposit into Program Accounts, or for reimbursement or reduction of Party Shares, as may be directed by Party Representatives. To the extent state, federal, or grant restrictions direct or allow the disposition or sale of Program Property acquired with any such funding source, including but not limited to the terms and conditions of the HEAP Funding Agreement entered into by a Host City, the same shall govern and prevail over the terms of this Section.

7.8. Annual Audit. The Program Treasurer shall cause an independent financial audit of the Program Accounts to be completed for each tax year (January – December) during the Term, and the report shall be presented to the Parties at the Annual Meeting (“Financial Audit”). The Financial Audit shall comply with Generally Accepted Government Audit Standards, and shall be distributed to all Parties upon completion. The Program Treasurer shall be the “contracting party” for purposes of any third-party contract with an independent auditor.

8. DISPUTES, DEFAULTS, AND REMEDIES

8.1. General Disputes. Should the Parties be unable to reach a mutual agreement as to any matter necessary to effectively administer and operate the Program, such as the amount of any Party Share, as an alternative to terminating this Agreement or pursuing an alternative remedy, the Parties may mutually agree to refer the dispute to a neutral arbitrator for resolution, in which case the arbitrator’s determination shall be binding unless and until this Agreement is otherwise amended by the Parties.

8.2. Defaults.

a) Notice and Time to Cure. The failure by any Party to perform any of its obligations set forth in this Agreement shall constitute a default. Except as required to protect against further damages, the non-defaulting Parties may not institute legal proceedings against the Party in default until the non-defaulting Parties have provided the defaulting Party notice of the default and the cure period has expired: The cure period for any default shall be thirty (30) days after the defaulting Party’s receipt of written notice from the non-defaulting Parties that such obligation was not performed. In the case of a default which cannot be cured within the cure

periods set forth in this section, the defaulting Party shall commence efforts to cure within such time periods, and shall diligently thereafter pursue to cure the default to completion within a reasonable period of time.

b) Cooperative Resolution. During the cure period set forth in paragraph (a), and prior to pursuing any remedies described in this Section, the Parties will attempt, in good faith, to find a mutually agreeable resolution through communicating with each other and attempting to resolve any substantive problems arising under this Agreement, including challenges arising from funding difficulties, and/or any difficulty with effectively implementing the responsibilities detailed in this Agreement. Communication and attempts to resolve such problems and difficulties prior to pursuing remedies under this Agreement include, but are not limited to, meeting together, amending this Agreement, and/or seeking the assistance of a jointly agreed upon mediator.

c) Remedies. Upon the occurrence of any default, and following written notice and expiration of the time to cure, the non-defaulting Parties may, at their option: declare this Agreement null and void with respect to the defaulting Party, in which case the defaulting party shall not be entitled to the benefits and privileges of this Agreement or the Program; or pursue damages or specific performance or other legal and equitable remedies the injured Parties may have against the non-defaulting Party in accordance with applicable law. Nothing herein shall be construed as the non-defaulting Parties' exclusive remedy for the remediation of default by a Party, and the non-defaulting Parties reserve the right to pursue any and all available rights and remedies at law or in equity.

d) Non-refund of Contributions. The payments made by all Parties pursuant to this Agreement shall be used for the Program in the manner described herein, and all Parties acknowledge and agree that the development, administration, and operation of the Program, including development of the New Centers, provides an immediate benefit to each Party and that no payments made pursuant to this Agreement shall be refunded for any reason other than as specifically authorized herein.

9. INDEMNITY AND INSURANCE

9.1. Indemnity / Hold Harmless. Each Party shall hold harmless, indemnify, and defend the other Parties, and each of them individually and jointly, and their respective officers, employees, and agents, from and against any and all claims, suits, or actions of every kind brought for or on account of injuries to or death of any person or damage to any property of any kind whatsoever and to whomsoever belonging which arise out of a Party's failure to fulfill any payment obligations of such Party arising pursuant to the performance or nonperformance of the Party's covenants and obligations under this Agreement, and which result from the actively negligent or wrongful acts of the Party, or its officers, employees, or agents. This provision requiring a Party to hold harmless, indemnify, and defend the other Parties shall expressly not apply to claims, losses, liabilities, or damages arising from actions or omissions, negligent or otherwise, of any independent contractor providing services pursuant to a contract with any other Party. In the event of concurrent negligence of the Parties or any other Party, its respective officers, or employees, and a Party, its officers and employees, then the liability for any and all claims for injuries or damages to persons and/or property or any other loss or cost which arises out of the terms,

conditions, covenants or responsibilities of this Agreement shall be apportioned in any dispute or litigation according to the California theory of comparative negligence.

9.2. Insurance. Each Host City, and all Center Operators, shall obtain and maintain in full force and effect throughout the term of this Agreement, or the term of the Center Operator's contract, as applicable, insurance of the types and in the amounts directed by the Party Representatives. Costs incurred by Host Cities in procuring or maintaining such insurance shall be a Program Cost.

10. MISCELLANEOUS

10.1. Approval by Party Representatives; Host City Authority. Any term or provision of this Agreement that calls for the direction, approval, or consent of the Party Representatives, shall mean and refer to the direction, approval, or consent of at least two-thirds (2/3) of the Party Representatives; provided that, notwithstanding anything contrary in this Agreement, Host Cities shall have discretion to approve or disprove any such action that: directly relates to the operation, management, capacity, construction, location, design, or scale of a Navigation Center located in the Host City's jurisdiction; results in the addition of a New Party to this Agreement; or any other action that, in Host City's reasonable discretion, will have a reasonably foreseeable negative material impact on residents, business, or public facilities in the area surrounding the New Center, materially increase the intensity of New Center use or capacity, or materially increase burdens on public services provided to said area.. Except as specifically provided herein, all actions reasonably necessary to effectuate the purpose of this Agreement and the Program may be performed by the Party Representatives except as may otherwise be prohibited by state or federal law.

10.2. Notice. Any notices provided to any Party in connection with this Agreement shall directed to the Party Representative of each of the Parties set forth in Exhibit "H".

10.3. Parties as Independent Contractors. Each Party is, and at all times shall be deemed to be, an independent contractor of the other Parties. Nothing herein is intended or shall be construed as creating the relationship of employer and employee, or principal and agent, between any Party, or any Party's agents or employees. Each Party shall retain all authority for rendition of services, standards of performance, control of personnel, and other matters incident to the performance of the Program pursuant to this Agreement. Each Party, and its agents and employees, shall not be considered to be employees of any other Party.

10.4. Governing Law and Venue. This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction, located in Orange County, California, and the Parties agree to and hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

10.5. Amendments / Entire Agreement. Amendments to this Agreement must be in

writing and approved by the governing body of each Party. This Agreement, and the various Exhibits referenced herein which are incorporated fully by this reference, is the entire agreement among the Parties with respect to the subject matter hereof, and it supersedes any prior written or oral agreements with respect to the subject matter.

10.6. Severability. If any section, subsection, paragraph, term, or provision of this Agreement, or the application thereof, is held by a court of competent jurisdiction to be invalid, void or unenforceable, such section, subsection, paragraph, term, or provision, to the extent the same is valid and enforceable, and all other remaining provisions hereof, shall remain in full force and effect, to the fullest extent possible, and shall in no way be affected, impaired or invalidated thereby to the extent such are not rendered impractical to perform taking into consideration the purposes of this Agreement.

10.7. Attorneys' Fees. In any action or proceeding to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover its reasonable costs, expenses, and attorneys' fees incurred in such action or proceeding.

10.8. Interpretation. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Agreement. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of its own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that it has not been influenced to any extent whatsoever in executing this Agreement by the other Parties, or by any person representing the other Parties, or both. Accordingly, any rule or law (including Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Agreement.

10.9. Non-Waiver of Rights and Remedies. No term or provision of this Agreement shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

10.10. Authority. The Parties represent and warrant that this Agreement has been duly authorized by their respective governing boards, and executed by a duly authorized representative thereof, and constitutes the legally binding obligation of their respective Party, enforceable in accordance with its terms.

10.11. Assignment. Except as otherwise expressly provided for herein, no Party shall assign any of its obligations or rights hereunder without the consent of all other Parties, and any such assignment without consent shall be null and void.

10.12. Execution in Counterparts. This Agreement may be executed in counterparts, each of which, when the Parties have signed this Agreement, shall be deemed to be an original,

and such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties to this Agreement have caused the same to be executed by each of their duly authorized officers as follows:

[SIGNATURE PAGE(S) TO FOLLOW]

CITY OF Brea

By: [Signature]

William Gallardo
Name

City Manager
Title

6-10-19
Date

ATTEST:

[Signature] FOR
City Clerk William Harris-Neal

NOTICE TO CITY TO BE GIVEN TO:

City Manager: William Gallardo

City of: Brea

Street Address: 1 Civic Center Circle

Brea, CA 92821

Phone: 714-990-7111

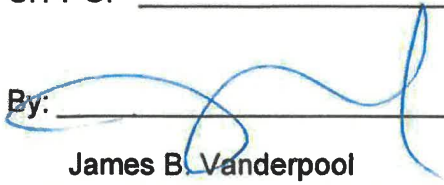
Fax: 714-990-2258

APPROVED AS TO FORM:

[Signature]
City Attorney Deanne Boyd

SIGNED IN COUNTERPART

CITY OF Buena Park

By: 

James B. Vanderpool

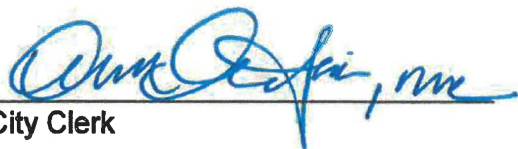
Name

City Manager

Title

6/18/19
Date

ATTEST:


City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: James B. Vanderpool

City of: Buena Park

Street Address: 6650 Beach Blvd.

Buena Park, CA 90621

Phone: (714) 562-3550

Fax: (714) 562-3559

APPROVED AS TO FORM: 

City Attorney

SIGNED IN COUNTERPART

CITY OF Cypress

By: [Signature]

Peter Brant
Name

City Manager
Title

July 24 2019
Date

ATTEST

City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: _____

City of: Cypress

Street Address: 5275 Orange
Ave, CA 90630

Phone: 714 229 6680

Fax: _____

APPROVED AS TO FORM:

[Signature]
City Attorney

SIGNED IN COUNTERPART

CITY OF Fullerton

By: 

Kenneth A. Damer
Name

City Manager
Title

6-19-19
Date

ATTEST:


City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: Ken Damer

City of: Fullerton

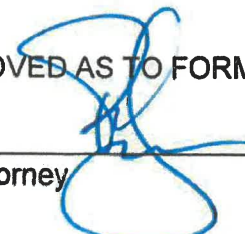
Street Address: 303 W. Commonwealth Ave.

Fullerton, CA 92832

Phone: 714.738.6310

Fax: —

APPROVED AS TO FORM:


City Attorney

SIGNED IN COUNTERPART

CITY OF LA HABRA

By: 

James Gomez
Name

Mayor
Title

July 16, 2019
Date

ATTEST:


City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: Jim Sadro

City of: La Habra

Street Address: 110 E. La Habra Boulevard

La Habra, CA 90631

Phone: (562) 383-4010

Fax: (562) 383-4474

APPROVED AS TO FORM:


City Attorney

SIGNED IN COUNTERPART

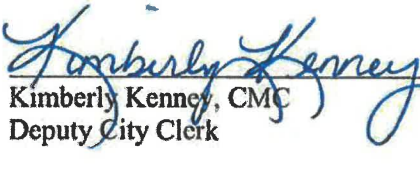
IN WITNESS WHEREOF, the City has executed this Agreement in the City of La Palma,
Orange County, California.

CITY OF LA PALMA



Marshall Goodman
Mayor

ATTEST:



Kimberly Kenney, CMC
Deputy City Clerk

APPROVED AS TO FORM:



Emily Webb
City Attorney

CITY OF LOS ALAMITOS

By: 

7-25-19
Date

Bret M. Plumlee
Name

City Manager
Title

ATTEST:


Windmea Quintanar, MMC, City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: Bret M. Plumlee

City of: Los Alamitos

Street Address: 3191 Katella Ave.

Los Alamitos, CA 90720

Phone: (562) 431-3538 x 203

Fax: (562) 493-1255

APPROVED AS TO FORM:


Michael S. Daudt, City Attorney

SIGNED IN COUNTERPART

CITY OF Orange

By: Mark A. Murphy

Mark A. Murphy
Name

Mayor
Title

June 20, 2019
Date

ATTEST:

Paula Coleman
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: Rick Otto

City of: Orange

Street Address: 300 E. Chapman Ave.

Orange, CA 92866

Phone: (714) 744-2222

Fax: (714) 744-5523

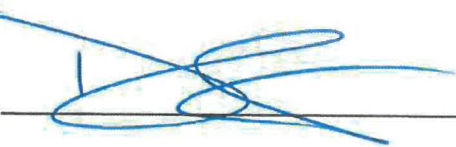
APPROVED AS TO FORM:

[Signature]
City Attorney

SIGNED IN COUNTERPART

CITY OF PLACENTIA

By: _____



Damien R. Arrula

Name

City Administrator

Title

Date

06/24/19

ATTEST:



Robert S. McKinnell, City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: Damien R. Arrula

City of: Placentia

Street Address: 401 E. Chapman, Ave.

Placentia, CA 92870

Phone: 714-993-8171

Fax: 714-961-0283

APPROVED AS TO FORM



Christian Bettenhausen, City Attorney

SIGNED IN COUNTERPART

ORIGINAL

CITY OF Stanton

By: [Signature]

Date July 2, 2019

Jarad L. Hildenbrand
Name

City Manager
Title



NOTICE TO CITY TO BE GIVEN TO:

City Manager: Jarad L. Hildenbrand

City of: Stanton

Street Address: 7800 Katella Avenue

Stanton, CA 90680

Phone: (714) 890-4277

Fax: (714) 890-1443

APPROVED AS TO FORM:

[Signature]
City Attorney

SIGNED IN COUNTERPART



CITY OF Villa Park

By: Vince Rossini

Date 6/14/2019

Vince Rossini
Name

Mayor
Title

ATTEST:

[Signature]
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: Steve Frankles

City of: Villa Park

Street Address: 17855 Santiago Blvd

Villa Park, CA 92861

Phone: (714) 998-1500

Fax: (714) 998-1508

APPROVED AS TO FORM:

SIGNED IN COUNTERPART

[Signature]
City Attorney

CITY OF YORBA LINDA

By: 

7-18-19
Date

MARK POLONE
Name

CITY MANAGER
Title

ATTEST:


City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: _____

City of: _____

Street Address: _____

_____, CA _____

Phone: _____

Fax: _____

APPROVED AS TO FORM:

SIGNED IN COUNTERPART


City Attorney

Exhibit A
Program Area

Service Planning Areas

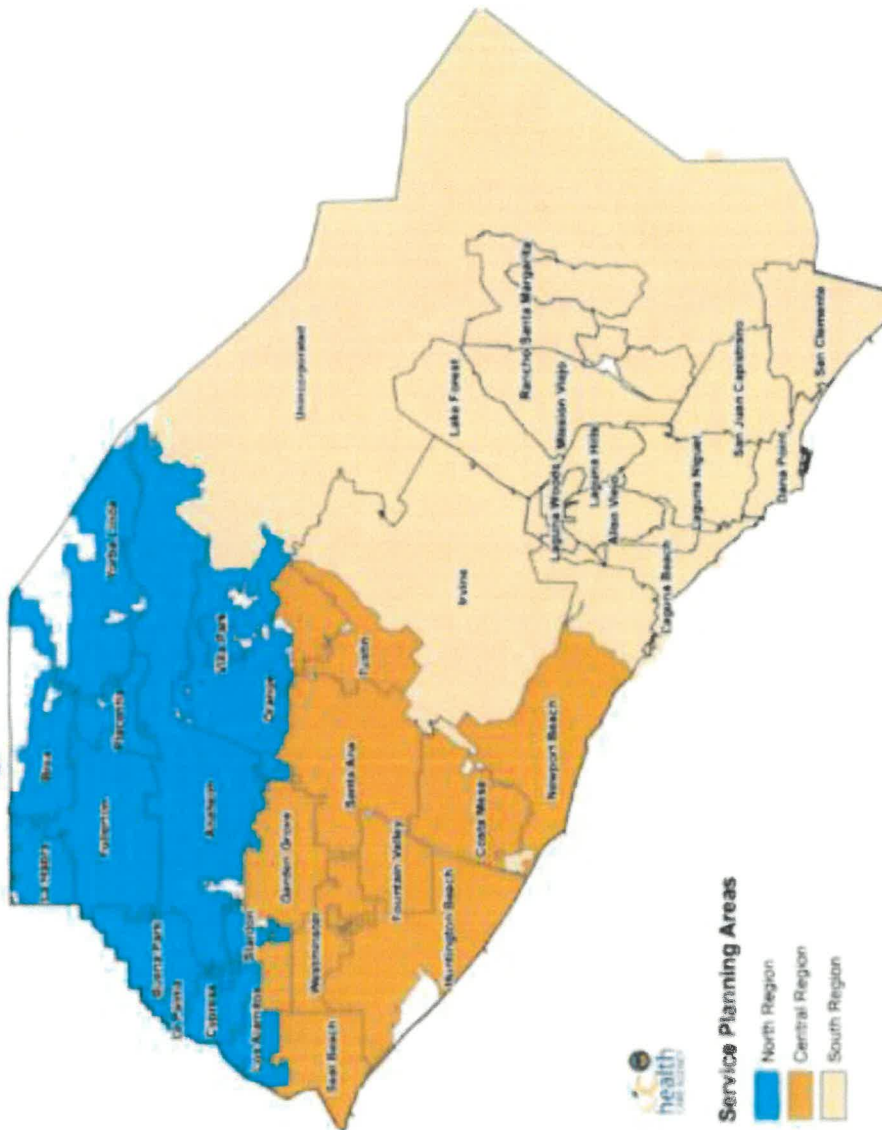


Exhibit B**Navigation Centers and Guest Capacity**

Navigation Centers			
City	Current Centers' Capacity	New Centers' Capacity	Total Guest Capacity
Brea	0	0	0
*Buena Park	20	150	170
Cypress	0	0	0
Fullerton	359	0	359
La Habra	99	0	99
La Palma	0	0	0
Los Alamitos	36	0	36
Orange	154	0	154
*Placentia	70	100	170
Stanton	153	0	153
Yorba Linda	0	0	0
Villa Park	0	0	0
Navigation Center Total	891	250	1,141

* Designation of "Host Cities" for New Centers

** Data from Anaheim Spreadsheet of May 30, 2018

Exhibit C**Program Costs and Budget**

(1) New Center - Construction and Acquisition Program Costs (Estimate)		
New Center	Total Costs	Ave. Costs Per Bed
Buena Park	\$7,515,070	\$50,100.47
Placentia	\$6,800,000	\$68,000.00
Total	\$14,315,070	\$57,260.00

(2) New Center Ongoing Operations and N-SPA Administrative Program Costs (Annual Estimate – Year 1)		
Navigation Center	Total Costs	Ave. Costs Per Bed
Buena Park	\$2,400,000	\$16,000.00
Placentia	\$1,600,000	\$16,000.00
N-SPA Administration Costs	\$125,000	\$555.56
Total	\$4,125,000	\$16,500.00
Operations based on Buena Park Estimates; Construction based on individual Host City Estimates; Administration includes Insurance, Audit, and Accounting Costs.		

Exhibit D**Funding Sources and Party Shares**

(1) Funding Sources for New Center Construction and Acquisition Program Costs		
Funding Source	Funding Amount (est.)	Percent of Total
HEAP* Funding Awarded to Buena Park	\$6,412,300	44.79%
HEAP* Funding Awarded to Placentia	\$5,650,000	39.47%
SB 2** Funding to City Parties	\$1,057,272	7.39%
City Program Costs	\$1,195,498	8.35%
Total	\$ 14,315,070	100%

(2) Funding Sources for New Center Ongoing Operations Program Costs (Annual Estimate – Year 1)		
Funding Source	Funding Amount (est.)	Percent of Total
**SB 2 Funding to City Parties	\$1,573,214	38.14%
County Commitment	\$1,250,000	30.3%
City Program Costs	\$1,301,786	31.65%
Total	\$4,125,000	100%

(3) Party Shares of City Program Costs – Construction and Acquisition of New Centers		
City	Funding Amount (est.)	Percentage of City Program Costs
Brea	\$60,668	5.07%
Buena Park	\$150,006	12.55%
Cypress	\$61,278	5.13%
Fullerton	\$306,226	25.61 %
La Habra	\$89,585	7.49%
La Palma	\$23,652	1.98%
Los Alamitos	\$18,595	1.56%
Orange	\$252,396	21.11%
Placentia	\$87,770	7.34%
Stanton	\$72,732	6.08%
Yorba Linda	\$67,086	5.61%
Villa Park	\$5,505	0.46%
Total	\$1,195,498	100%

(4) Party Shares of City Program Costs – Ongoing Operations of New Centers (Year 1)		
City	Funding Amount	Percentage of City Program Costs
Brea	\$77,005	5.92%
Buena Park	\$44,383	3.41%
Cypress	\$79,179	6.08%
Fullerton	\$391,480	30.07%
La Habra	\$119,255	9.16%
La Palma	\$29,652	2.28%
Los Alamitos	\$25,357	1.95%
Orange	\$319,502	24.54%
Placentia	\$20,195	1.55%
Stanton	\$98,319	7.55%
Yorba Linda	\$89,983	6.91%
Villa Park	\$7,476	0.57 %
Total	\$1,301,786	100%

* HEAP Detail: Total HEAP award to Program is \$12,062,300, which is comprised of \$6,500,000 commitment from the County of Orange from its HEAP Funding allocation, and \$5,562,300 in HEAP funds awarded to the North SPA.		
** Estimated SB 2 Funding Allocation to City Parties		
City	Construction Cost SB 2 Share – Large Cities	Operations Cost SB 2 Share (50% of Large City, 100% of Small City)
Buena Park	\$164,351	\$153,436
Fullerton	\$306,432	\$286,081
La Habra	\$173,086	\$161,590
Orange	\$270,392	\$252,434
Placentia	\$95,597	\$89,248
Yorba Linda	\$47,417	\$44,268
Cypress	X	\$174,077
Brea	X	\$150,741
Stanton	X	\$140,726
La Palma	X	\$56,693
Los Alamitos	X	\$42,374
Villa Park	X	\$21,551
Total	\$1,057,274	\$1,573,217

Exhibit E
Cost Allocation Plan

Current and Proposed Beds and Proposed Share Formulas

City	Current Beds	Proposed Beds	Total Beds	City % Current & Proposed Beds
Brea	0	0	0	0.00%
Buena Park	20	150	170	14.90%
Cypress	0	0	0	0.00%
Fullerton	359	0	359	31.46%
La Habra	99	0	99	8.68%
La Palma	0	0	0	0.00%
Los Alamitos	36	0	36	3.16%
Orange	154	0	154	13.50%
Placentia	70	100	170	14.90%
Stanton	153	0	153	13.41%
Yorba Linda	0	0	0	0.00%
Villa Park	0	0	0	0.00%
TOTAL	891	250	1141	

 Proposed and Current Beds
 No Current or Proposed Beds
 Current Beds

* Data from Anaheim Spreadsheet of May 30, 2018

Construction and Acquisition Proposed Share Formula Based On:

50% of Percent of Total Region Population
 50% of Percent of Region Homeless Population
 5.46% Credit/Surcharge

(Based on Percent of Total Beds minus Percent of Total Region Population)

Ongoing Operations Proposed Share Formula Based On:

50% of Percent of Total Region Population
 50% of Percent of Region Homeless Population
 20% Credit/Surcharge to/from 2 Host Cities

(Based on 71 Percent of ancillary expenses to be incurred by the 2 host cities, which equals 19.5% of total Regional Operations Costs allocated by percent of regional population)

(\$2560 per bed for ancillary expenses such as policing, street sweeping, public works)

Operations Costs for Host Cities will be trued up at end of fiscal year for actual ancillary costs

Final Construction/Acquisition & Operations Proposed Share %'s

Proposed Share Formula = % of Population and % of Homeless plus or minus surcharge

[illegible]

*** 5.46% Credit/Surcharge for Construction & Acquisition is based on % of Total Beds minus % of Total Region Population with the credit being calculated for for those cities with more % of beds than % of population. The surcharge is then allocated to cities with fewer % of beds than % of population. Based on the current cost estimates the credit equals 5.46% of construction and acquisition costs (\$781,712).**

***Credit/Surcharge for Operations is based on 71% of estimated ancillary expenses to be incurred by 2 Host Cities and then allocated to the nonhost cities by percent of remaining regional population. Based on the current cost estimates the credit equals 16% of operational costs (\$640000).**

Exhibit F

Operating Plan Considerations

In addition to other matters directed by Party Representatives, Operating Plans should address or include the following:

- A. General policies and procedures that promote utmost safety for Guests, staff, volunteers, and the community, and New Centers should strive to provide an atmosphere that promotes community, stays alert for signs of conflict, and confronts behaviors before they escalate.
- B. Security measures including but not limited to security plans, secured entrances, on-site security personnel, video recording equipment, lighting, law enforcement patrols, and neighborhood safety and patrols.
- C. Fire, earthquake, and disaster safety, including but not limited to evacuation plans fire prevention procedures, fire drills and documentation, fire inspections and extinguishers.
- D. Guest access, including but not limited to hours of operation, controlled access, transportation of Guests to and from Navigation Centers from jurisdiction of residence, overflow management, screening procedures and criteria, identification requirements and procedures, storage of Guest property, and animal policies.
- E. Guest rules of conduct and guidelines, including anti-loitering policies, the use of controlled and over the counter substances, possession of weapons or drug paraphernalia, and dispute resolution procedures.
- F. Access and referral of Guests to emergency and medical care, including both on site of New Centers and coordination with local EMT providers and medical facilities.
- G. Coordination with transitional housing providers to locate transitional housing vacancies for Guests, and connect Guests to local service providers, with a goal of increasing the Navigation Center turnover rate as Guests are successfully matched to alternate housing opportunities.
- H. Health policies designed for safety of staff and Guests, including procedures for the handling and disposal of hazardous materials, precautions in handling of laundry and cleaning, and general self-health care, wearing appropriate protective garments (i.e. gloves), use of disinfecting cleaning products, and hand-washing procedures.
- I. Disease prevention protocols for prevention and treatment of diseases and conditions such as seizures, diabetic episodes, mental health episodes, lice, bed bugs, influenza, and other communicable and contagious diseases.
- J. Compliance with all local, state, and federal laws, regulations, and policies, including but not limited to labor laws, non-discrimination laws and polities, the Americans with Disabilities Act, gender-specific programming policies, religious freedom, and sexual harassment.

- K. Requirements for the safety of children and vulnerable adults among the Guest population, including staff trained in sex offender policies, child abuse, and vulnerable adult abuse and screening for sex offenses through the National Megan's Law database.

Exhibit G

Program Accounts

- A. Capital Improvement Fund.** Monies in the CPI Fund shall be used solely and exclusively for purposes of financing costs associated with the expansion, modification, improvement, retrofitting, construction, and/or development of the New Centers, including any pre or post-construction work associated with the foregoing.
- B. Maintenance and Repair Fund.** Monies in the M&R Fund shall be used solely and exclusively for purposes of financing costs associated with the regular and routine maintenance, repair, or replacement of capital improvements associated with the New Centers.
- C. Operating Fund.** Monies in the Operating Fund shall be used solely and exclusively for purposes of financing costs associated with the day-to-day on-site management and operation of the New Centers, including such expenses as insurance, personnel, consumables, disposables, refuse disposal, utility costs, professional services providers, etc.

Exhibit H**Notices and Designation of Party Representatives**

City	Party Representative(s)
Brea	William Gallardo, City Manager Address: 1 Civic Center Circle, Brea, 92821 Email: billga@ci.brea.ca.us Tel.: 714-990-7711
Buena Park	James B. Vanderpool, City Manager Address: 6650 Beach Blvd., Buena Park, 90621 Email: jvanderpool@buenapark.com Tel.: 714-562-3550 With copy to: Christopher Cardinale, City Attorney 13181 Crossroads Pkwy North – Suite 400 City of Industry, CA 91740 Email: ccardinale@agclawfirm.com Tel.: (562)699-5500
Cypress	Peter Grant, City Manager Address: 5275 Orange Ave., Cypress, 90630 Email: pgrant@cypressca.org Tel.: 714-229-6680
Fullerton	Ken Domer, City Manager Address: 303 W. Commonwealth Ave., Fullerton, 92832 Email: kdomer@cityoffullerton.com Tel.: 714-738-6310
La Habra	Jim Sadro, City Manager Address: 110 E. La Habra Blvd., La Habra, 90631 Email: jsadro@lahabracalifornia.gov Tel.: 562-383-4010
La Palma	Laurie Murray, City Manager Address: 7822 Walker St., La Palma, 90623 Email: lauriem@cityoflapalma.org Tel.: 714-690-3334
Los Alamitos	Les Johnson, Interim City Manager Address: 3191 Katella Ave., Los Alamitos, 90720 Email: ljohnson@cityoflosalamitos.org Tel.: 562-431-3538 x. 203
Orange	Rick Otto, City Manager Address: 300 E. Chapman Ave., Orange, 92666 Email: rotto@cityoforange.org Tel.: 714-744-2222

Placentia	Damien R. Arrula, City Administrator Address: 401 E. Chapman Ave., Placentia, 92870 Email: darrula@placentia.org Tel.: 714-993-8171
Stanton	Jarad L. Hildenbrand, City Manager Address: 7800 Katella Ave., Stanton, 90680 Email: jhildenbrand@ci.stanton.ca.us Tel.: 714-890-4277
Villa Park	Steve Franks, City Manager Address: 17855 Santiago Blvd., Villa Park, 92861 Email: sfranks@villapark.org Tel.: 714-998-1500
Yorba Linda	Mark Pulone, City Manager Address: 4845 Casa Loma Ave., Yorba Linda, 92886 Email: mpulone@yorba-linda.org Tel.: 714-961-7110